

Ridley heads off Tory poll tax rebellion

Five million to receive better deal on rebates

By Philip Webster and Martin Fletcher

Mr Nicholas Ridley last night headed off the threat of defeat on the poll tax Bill by announcing an improved rebates scheme that will make an extra one million people eligible for relief and increase the payments to four million others.

The Secretary of State for the Environment disclosed the plan to a packed meeting of Conservative backbenchers.

The Cabinet approved it after receiving warnings from the whips that the Government faced having its majority reduced severely on Monday night when an attempt is to be made by Conservatives to change the nature of the charge so it is based on people's ability to pay.

Mr Ridley refused to give ground on that principle last night and failed to satisfy the majority of the rebels, led by Mr Michael Mates, with his concession.

However, by introducing changes to help the lowly paid it appeared that he had halted the rebellion and bought off enough of the waverers to the policy still meant substantial benefits for the very well off, financed by the less well off. "It is no way addresses the major problem."

However, several of the 46 or so MPs who had signed Mr Mates's amendment to set the charge according to people's income-tax rates, said that they would be removing their names as a result of Mr Ridley's intervention.

The rebels estimated last night that about 35 Conservatives would still vote against the Government on Monday night when its majority is around 35.

But Sir George conceded that Mr Ridley had probably averted the possibility of defeat. "It might be buy off enough waverers," he said.

Former ministers, including Mr Michael Heseltine and Mr Timothy Raison, told the meeting that Mr Ridley's concession would be insufficient to dissuade them from backing Mr Mates.

Mr Hugh Dykes, MP for Harrow East, said later: "It is only an alleviation. It is no solution to the fundamental objective of the Mates amendment."

The attendance at last night's meeting was one of the highest for a backbench meeting since 1979, evidence of the passion the issue has aroused. The whips concluded earlier this week that a concession would be required to stave off an uncomfortably close vote next Monday.

Mr John Heddle, chairman of the environment committee, said afterwards: "The announcement means that the rebellion will have been halted."

Mr Henry Bellingham, one of those who had signed the amendment, told reporters that he would probably pull out of the rebellion because of the "major improvement" to the rebate scheme.

His main act is to change the "taper" figure for rate rebates from per 20 cent to 15 per cent.

Under the existing plans people on income support, which this week replaced supplementary benefit, will be eligible for the maximum 80 per cent community charge rebate. Those earning above that were scheduled to have their rebates reduced by 20p in every £1 earned above the income support level.

Under the changes made last night, they will lose 15p for every extra pound earned.

Mr Mates said that he intended to press on with his attempt to change the flat rate nature of the charge.

Sir George Young, one of his leading supporters, said

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ensure victory on Monday night.

As the Government appeared to have contained the size of one revolt it suffered another as 18 backbenchers voted against its plan in the Health and Medicines Bill to abolish free dental charges. About another 10 abstained.

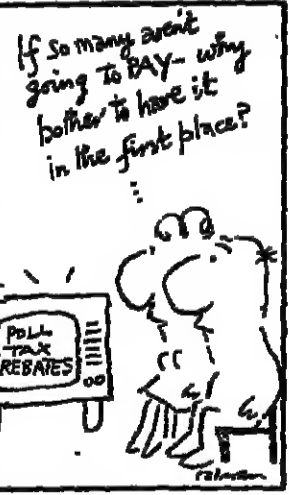
After a debate in which one Conservative after another assailed the Government for its proposals, its majority was cut to 81 and another rebellion was expected later in the night on the plan to end free eye tests.

Mr Ridley's concession, which he said later would cost between £115 million and £130 million, will increase the numbers receiving rebates from eight million to nine million and also mean that people will lose their rebates at a slower rate than previously proposed.

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Police raid 'Yardies' party



A policeman with one of those arrested after officers investigating black gangs known as the 'Yardies' raided a night party in Hackney, east London, yesterday. Full report, page 22

Pressure grows over Kuwaiti hijacking saga

From Philip Jacobson, Algiers

The hijackers of the Kuwait Airways Boeing 747 yesterday used one of their 32 hostages to repeat their demand for the release of the 17 Islamic Jihad members jailed in Kuwait, as a dispiriting air of permanence settled over negotiations to end the 10-day hijacking.

In the terse words of one of the passengers, Mr Said Ahmed, who was allowed to send greetings to his family through the control tower: "They are still demanding that my (Kuwaiti) government release the 17 prisoners. Otherwise they'll kill us all."

With no sign that the Kuwaiti authorities intend to budge from their refusal to free the 17 prisoners, a breakthrough seemed more distant than ever.

Even the experienced Algerian negotiators were finding it hard to maintain a front of optimism as messages from flight KU 422 made it clear that the terrorists' resolve is not weakening either. As the hours dragged by without news of progress, it seemed symbolic that not long after dawn the plane had been towed off to a more remote corner of the Boumerdes airport to make way for a brief (and pre-arranged) state visit by the President Kaunda of Zambia.

The decision of the hijackers early yesterday afternoon to allow an Algerian doctor to board the aircraft and examine the hostages, and a couple of workmen to clean up the interior, plus the delivery of soft drinks, food and clean underwear merely strengthened the impression that all concerned were resigned to the saga continuing.

Doctor Youssef Mehdi, who examined the hostages while they had their hands bound, said that they were in a satisfactory condition.

"Based on the medical examinations I performed on the cases presented to me they showed no signs of torture."

From the medical point of view they are not in a bad way," he said.

But he did say that about 10 of the more elderly passengers were showing signs of strain as a result of their ordeal.

Immediately after the doctor finished speaking at a press conference, rumours circulated that two elderly women had been released by the hijackers. But within minutes a formal denial was issued through the official Algerian news agency.

The plane later taxied back on one engine to its previous parking position, more or less in front of the control tower.

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This followed some exchanges in which the hijackers expressed concern at their isolated position, apparently alarmed that they were now out of sight of the massed ranks of the media.

What little emerged on the negotiations involving the Algerian Interior Minister, Mr El Hadi Khediri - who visited the aircraft again yesterday - and the Kuwaiti delegation, headed by the Minister of State for Foreign Affairs, Mr Saad al-Ossami, tended to confirm the growing belief here that any agreement which was struck in Larnaca three days ago was limited to the departure of the plane to Algeria, with an understanding that no further violence would be used against passengers and that there will be no attempt to storm it.

According to a Kuwaiti source, the negotiating team that arrived here on Wednesday includes two officials with experience of negotiating with hijackers. One was closely involved in dealings with the Iranian authorities after a Kuwaiti plane was forced to land in Tehran in 1984. On that occasion, two American passengers were killed.

Dollar and shares crash as US trade gap widens

From Bailey Morris, Washington

The Chancellor, Mr Nigel Lawson, claimed success for international co-operation after massive intervention by central banks to rescue the dollar in the wake of a larger-than-expected US trade deficit.

The dollar dropped by more than three cents in London to close at \$1.8760. Shares in London and New York were hit, with the FT-SE 100 share index down just over 23 points and the Dow Jones industrial average down more than 70 points.

But Mr Lawson said it was too early to declare the assault on the dollar as warranting new corrective measures by the leading nations to restore calm to markets.

Mr Lawson said the banks' "impressive" and massive intervention to rescue the dollar was instead a good

example of the success of international policies.

He said a "very large number of countries" had taken part.

The announcement of the \$13.8 billion (£7.5 million) US deficit in February had an immediate effect on international financial markets. Some analysts compared it with the turmoil resulting

from the record \$17 billion deficit last October, which was regarded as one of the causes of the stock market crash.

But despite the Chancellor's reassuring comments, there was concern that market unrest over the trade figures could shatter the stability that has prevailed since December when the industrialized coun-

tries last acted successfully to support the dollar.

The market turbulence created a crisis control atmosphere in Washington where Western finance ministers and central bankers had gathered for the spring meetings of the World Bank and the International Monetary Fund.

Some officials said they doubted that the Group of Seven countries could continue their intervention strategy to stabilize currencies if the dollar remained under attack. This would require additional measures.

Mr Lawson said in his address to the IMF's Interim Committee that "large scale intervention should not become a way of life but controlled intervention is a useful instrument of policy."

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Soviet pull-out 'no defeat'

From Paul Valley, Geneva

Mr Eduard Shevardnadze, the Soviet Foreign Minister, yesterday set the seal on the Kremlin's decision to withdraw more than 100,000 troops from Afghanistan, bringing to an end the Soviet Union's most disastrous foreign policy adventure since the Second World War.

With Mr George Shultz, the US Secretary of State, Mr Shevardnadze signed accord here that the superpowers will act as guarantors to a non-aggression accord between Afghanistan and Pakistan, for

which the Soviet withdrawal was a prerequisite.

Under the deal, Moscow will, from May 15, remove half of its troops - estimated to be about 115,000 - within

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three months and the remainder by February 15, 1989.

But euphoric statements about a new era of peace for the region, made by the principal politicians immediately

after the signing, were quickly dispelled by Mr Shultz, who announced that Washington is to continue supplying arms to the Afghan Mujahidin resistance, which is fighting for the overthrow of the Kremlin-backed Government in Kabul.

The withdrawal will bring to an end 8½ years of Soviet occupation, during which as many as one million Afghans are said to have been killed and five million, more than a third of the population, have

Continued on page 22, col 1

ITN welcomes call for increased competition

By Richard Evans, Media Editor

ITN should be free to supply news to any broadcasting outlets, according to proposals from Mr John Whitney, director-general of the Independent Broadcasting Authority.

He suggests outside investors should be encouraged to join the independent television companies owning ITN, the maker of News at Ten, as shareholders and directors.

In a paper submitted to ITV chiefs, Mr Whitney recom-

mends ITN be open to competition in supplying news to ITV and Channel 4. ITN, which also supplies news - to a lesser extent - to Super Channel, has a total turnover of about £65 million.

Mr David Nicholas, ITN's editor and chief executive, last night welcomed Mr Whitney's proposals although he emphasized that ITN must be guaranteed a market with ITV for several years to allow time to find new business outlets.

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Passenger jets escape air disaster by 100 yards

By Harvey Elliott
Air Correspondent

Two pilots last night described the moment when their aircraft almost collided at 8,000 feet over Watford yesterday morning in another serious air

miss. Captain Keith Manktelow was heading for Heathrow Airport from the Isle of Man at the controls of his Manx Airlines BAe 146 four-engine jet with 67 passengers when

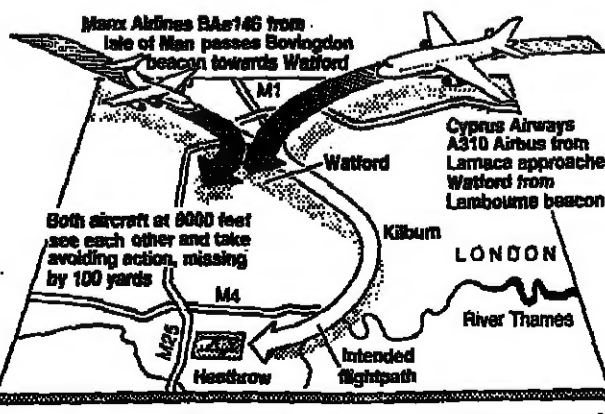
Cyprus Airways Airbus A310 with 244 people on board, including five babies, flashed across his path. Both pilots took immediate avoiding action and averted disaster by, they believe, less than 100 yards.

Captain Manktelow, who is also operations manager of

Manx, said yesterday: "It was very, very close. Had it been in cloud I am convinced we would have been in bits all around Watford."

First Officer Chrysanthos Hadjichrysanthou, who was in control of the Airbus at the time, said: "It was the closest incident I have ever been involved in but fortunately for us it was a clear day and we were able to take immediate avoiding action. It certainly would have been different had it not been such a clear day."

The Cyprus jet filled with holidaymakers returning from Larnaca had crossed the Essex coast and headed for a beacon at Lambourne near Breatwood in Essex. From there he was instructed to fly at 8,000 feet before turning left over



Watford and head towards Kilburn, north London for the final approach to runway 09 left at Heathrow.

Meanwhile Captain Manktelow had passed a navigation beacon at Bovingdon three miles south

of Hemel Hempstead, Hertfordshire and was also instructed to fly at 8,000 feet towards Kilburn.

"It was 7.50 am and the sun was still low and bright," he said. "There was a lot of other traffic about and I was con-

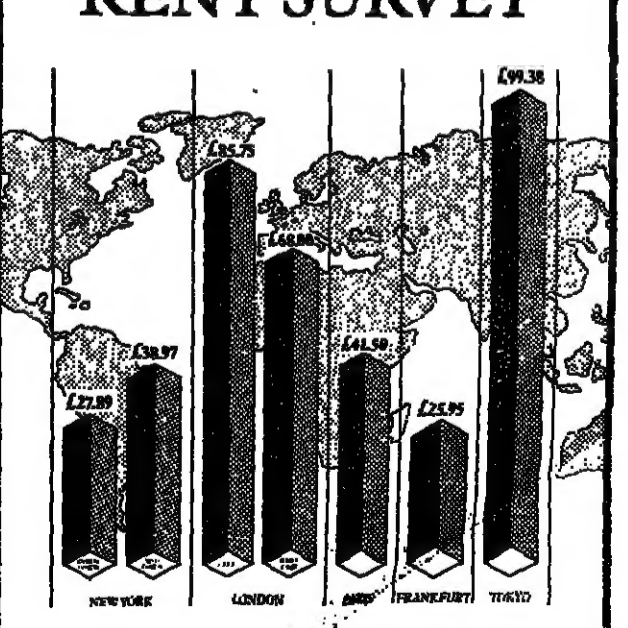
stantly looking around. I had one particular aircraft in sight and glanced away just in time to see a huge black shape in my left hand window. It was clear we were both heading straight towards the same point in the sky. I immediately turned right and the Cyprus aircraft went out of sight. Naturally I told the air traffic controllers that we would be filing an official air miss report."

In the Cyprus aircraft First Officer Hadjichrysanthou was flying on auto-pilot and concentrating on his instruments as his captain kept a look-out.

"Suddenly I saw him disengage the auto-pilot and as I looked up I saw the other

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Jaguar votes on production deal

A productivity offer being voted on by more than 4,000 manual workers at Jaguar was understood last night to include the company's original demand for output to be increased by 92 cars a week.

Union leaders were making no recommendation that the offer be rejected or accepted amid reports that the mood of workers was hardening against strike action.

A ballot of assembly workers at the company's Browns Lane plant in Coventry will be completed today and the result known on Monday, the day for which a strike was threatened.

However, union leaders suspended the threat, which would have been instigated if the production targets had been imposed without agreement. Management at the same time withdrew its deadline of Monday for the introduction of the schedules, but they are expected to be introduced almost immediately if workers accept the revised offer, said to be nearly identical to a proposal rejected last week.

Road deaths down

Britain has the safest roads in the European Community, according to the Department of Transport. Provisional government statistics for 1987 released yesterday show that road fatalities fell to their lowest level for 33 years. In almost every category of road user there was a reduction in deaths and casualties, in spite of a 5 per cent increase in traffic. Only among child cyclists did the number of casualties increase, with deaths rising by a third over 1986 to 68, and injuries up by 4 per cent. There were also signs that the downward trend in road accidents was accelerating. Deaths fell by 10 per cent and serious injuries by 13 per cent in the last quarter of 1987 compared with the same period in 1986.

New Aids foundation

An Aids research foundation is to be set up in Edinburgh. Action Against Aids will rely on public and financial institutions to fund a full-time research team aiming to learn more about how the body can be treated when the HIV virus attacks the immune system and why the disease affects the brain. A quarter of the foundation's initial £1 million budget will pay for a small research unit at the city's blood transfusion centre, where six full-time staff will monitor the course of the infection and work on devising treatments.

Shipyard dispute

Workers at the Vickers Shipyard at Barrow, Cumbria, imposed an indefinite overtime ban yesterday in protest at a management decision to set standard holiday periods. The move by the company's 12,200 workers came after a call for industrial action by the Barrow Confederation of Shipbuilding and Engineering Unions as part of the campaign to keep flexible holidays. Vickers said it was essential to have a standard holiday period to improve productivity and avoid job losses.

Deception charges

Mr John Palmer, a businessman, was last night charged with three counts of obtaining money by deception, in 1983 and 1984, involving £64,750. Mr Palmer, aged 39, of Battlefields, near Bath, was arrested as he stepped off an aircraft from Madeira at Gatwick airport on Wednesday. He is due to appear before magistrates at Bristol today.

Party lasts two weeks

Eight people faced charges of criminal damage, theft and possession of drugs after a couple went on holiday and left their son, aged 19, in charge of the house. Teignmouth Magistrates' Court in Devon was told that Steven King hosted a two-week party in which goods worth £180 were stolen and damage was estimated at £147. King and seven friends were fined and ordered to pay compensation.

Bombers plea denied

The six men serving life sentences for the Birmingham public house bombings 13 years ago were yesterday refused leave to make a final appeal to the House of Lords. The six asked the Lords' judicial committee for leave to appeal against the refusal of the Court of Appeal last February to quash their convictions in the light of alleged new evidence.

Train sets line record

British Rail set a record time for the Waterloo to Weymouth journey yesterday. The first passenger train to cover the distance since the line was fully electrified arrived in Weymouth, Dorset, after completing the 142-mile journey in 1 hour, 59 minutes and 24 seconds.

Detective 'hated by many'

Daniel Morgan, the private investigator murdered in a public house car park, had a great many enemies, an inquest was told yesterday.

In a year-long inquiry, police took 1,600 statements, mostly from people with possible grudges, including some from as far away as Denmark and Malta. Inspector Alan Jones told Southwark Coroner's Court, south London.

Husbands and boy friends were among hundreds of people with cause to hate Mr Morgan, aged 37. The director

of Southern Investigations, of Thornton Heath, south London, was found with a hatchet embedded in his head in March last year.

Mr David Bray, a former colleague, said that Mr Morgan had repeatedly threatened to end his business partnership with Mr John Rees.

Earlier, Sir Montague Levine, the coroner, ordered the arrest of Mr Rees's wife, Sharon, who had "virtually disappeared".

Dr Michael Heath, a pathologist, told the inquest

Hoskyns tells City to tighten its rules

By John Spicer, Employment Affairs Correspondent

City institutions were told yesterday that unless they improved self-regulation the Government would enact stricter laws to control them.

Sir John Hoskyns, director general of the Institute of Directors, said company directors already worked within a framework of more than 250 statutes.

"There is no doubt the more evidence that emerges of directors not living up to their moral responsibilities, the greater will be the pressure on the Government to introduce increasing regulation to outlaw all forms of human weakness," Sir John, speaking at a human resources development conference in London, said.

"Above all a director must have integrity and moral courage. He has to be trusted by his fellow directors. He has to have the courage to stand up and say unpopular things if he thinks

things are being done wrongly either through a lack of competence or because the company is sailing close to the wind in a moral sense."

Without mentioning the Guinness affair or recent cases of insider dealings, Sir John said failure by business leaders to maintain the highest standards of integrity was a form of treason against the enterprise culture.

"Every time a failure brings business into disrepute, the only system we know which can bring genuine prosperity for all is seriously undermined."

More laws and greater regulation would have two detrimental effects. They would cause people to be so preoccupied with the letter of the law that the spirit of enterprise would be stifled. Preoccupation with the letter rather than the spirit of the law would

lead to lower standards than if the penalty was ostracism by colleagues.

"It will be said if, as a result of our not living up to our moral responsibilities, we have a world in which everyone is regulated into maintaining standards of behaviour and accountability and simply playing by the rules."

Sir John and other leaders of the institute, whose motto is "Integrity and Enterprise", and which has 30,000 members in the UK, have been drawn by some City enterprises. They feel there is a growing climate of opinion against what they fear is being seen as the unacceptable face of capitalism.

The institute is alarmed that since the recent introduction of legislation covering directors' responsibilities

and insolvency regulations, 3,500 directors are being investigated for their roles in insolvent companies.

Sir John told the conference that non-executive directors were vital to companies for the way they could police things such as perks being provided at the higher levels. He said a great deal was heard about high salaries and high flyers, but such earners were relatively few.

Salaries did not bother him unduly, but perks did.

Sir John was not in favour of company chairmen being the chief executives as well. "The failure of Sir Freddie Laker's enterprise might not have happened if he had had non-executive directors who could have advised, cautioned and questioned the way things were going once danger signals had been recognized."

Tories insist that benefit reforms will be successful

By Robin Oakley, Political Editor

The Prime Minister told MPs yesterday that the average working family in Britain pays £64 a week towards the social security system, £62 a week for the health service and £25 on education.

Mrs Margaret Thatcher was arguing that the economic policy successes of the Government had led to higher social security payments than a Labour government could have dreamed of. This year the total would be £46 billion, £2 billion up on the previous year.

Questioned by Mrs Margaret Ewing, the Scottish Nationalist MP, about losses of up to £20 per week for some poor, elderly or handicapped benefit claimants, Mrs Thatcher insisted that the Government's social security reforms had targeted help on the disabled and on low-income families.

Although those with savings of £5,000 would not receive housing benefit, one home in three would still be receiving contributions from the rest of the population.

Mr Robin Cook, Labour's social services spokesman, said that of the 7.2 million people who had previously been able to claim housing benefit, 1.1 million had lost all entitlement.

Mr Cook said that calls for the dismissal of Mr John Moore, the Secretary of State for Social Services, were inappropriate. Mr Moore was a man of charm, personal attraction and considerable ministerial experience. If he could not succeed in justifying the Government's social security policies then perhaps that was not because he was not up to the job but because

they were impossible to justify.

Mr Michael Portillo, the Under-Secretary of State for Social Security, accused Labour of seeking to defend the indefensible old system which was broken down, full of holes and which "encouraged people to believe that the way to better themselves was to opt out and live off the taxpayer".

Mr Portillo said that Labour believed that 16 and 17-year-olds should have the option to go straight on to benefit, turn down a training place and set up a family at the taxpayer's expense. The Government did not.

"Labour believes an 18-year-old should collect as much benefit, never having worked, as a 55-year-old with 40 years work behind him. We do not."

Labour believed that those out of work should get hundreds of pounds in grants for furniture but low paid people in work should not. "The old single payments caused deep resentment and undermined those who worked and saved", he said.

"Labour believes that the taxpayer should pay the rents and rates of people who always wanted to be independent and have more than £5,000 in the bank."

"We do not, and neither do the millions with no savings who pay their neighbour's rents out of their taxes."

"Labour believes we should go back to the old system. That means they want 81 per cent of the sick and disabled, 77 per cent of families with children and 60 per cent of single parents to be worse off than they are today."

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Plea for British hostage

The girl friend of the kidnapped British journalist, Mr John McCarthy, yesterday accused the Government of doing nothing to help free him.

Miss Jill Morrell said she no longer believed the Foreign Office was working behind the scenes and she added that from now on she would ignore its advice to act with discretion.

On Sunday, two years to the day since Mr McCarthy was seized by gunmen as he made his way to Beirut Airport, Miss Morrell will launch a publicity campaign with a benefit concert.

"We had not been doing anything because that was the Foreign Office advice", she said. "We waited 18 months, now it's two years, and they can't even tell us whether John is alive or dead. There comes a time when you have to give them a bit more incentive."

T-shirts, posters, car stickers and balloons will spell out her message about Mr McCarthy and fellow captive Mr Terry Waite, the Archbishop of Canterbury's special envoy.

Friends of Mr McCarthy will take part in Sunday's London Marathon - and one will wear the competition number 17-4-86, the date when the journalist was abducted.

Miss Morrell called for Mrs Margaret Thatcher to start talks with governments able to help secure Mr McCarthy's freedom.

The Foreign Office said it sympathized with Miss Morrell's frustration but emphasized that it was working discreetly for information about the hostages.



Jill Morrell yesterday (Photograph: Graham Wood).

No extra time for Alton Bill

The Prime Minister confirmed yesterday that government time would not be made available for Mr David Alton's Bill to cut to 18 weeks the legal limit for abortion.

Mrs Margaret Thatcher's statement to the Commons came as the Director of Public Prosecutions ruled that criminal proceedings would not be taken against hospital staff involved in an abortion case in Carlisle, where a 21-week

female foetus lived for more than two hours.

However, Mr Alton is pressing the hospital authorities to register the child's birth and for an inquest to be opened.

Mr Ian Morton, East Cumbria coroner, said yesterday: "I am now asking to see the police file and will decide shortly whether to ask the Home Office to hold an inquest. I believe the inquest will be necessary." It would be

impossible to hold the inquest without disclosing the mother's name. "That is a very worrying matter for me."

The abortion was carried out at Carlisle's City General Hospital last July, after the mother was told that there was a serious risk the child would be born with a rare disorder. The infant, who had a pulse, was not given any treatment because doctors thought she was too premature.

Lords will press Baker to drop abolition of Ilea

By Sheila Gann, Political Staff

Mr Kenneth Baker, the Secretary of State for Education, will face demands from the House of Lords next week to take the abolition of the Inner London Education Authority out of the Education Reform Bill.

The case for delaying the proposed abolition until the next session was strengthened by the ballot of 145,259 Ilea parents, which disclosed 94.3 per cent of those voting want the capital's single education authority retained.

A growing number of peers, including independent cross-benchers, believe

abolition is hasty and should not be "tacked on" to the Bill. They want a separate measure introduced after further consultations.

Constitutionally, the peers are on strong ground because the abolition was not trailed in last year's Conservative election manifesto, nor in the original Bill. The House of Lords defeated the Government on the same issue when in May 1985 they approved an amendment tabled by the Bishop of London removing the power of the education secretary to abolish Ilea by order.

They also wrecked crucial elements of the Government's Bill to pave the

way for the abolition of the GLC because that, too, had not been mooted in the election manifesto.

The most disputed sections of the education reforms will be disclosed during next Monday and Tuesday's second reading debate in the Lords. More than 80 peers are planning to speak. The second reading debate will be spread over two days, indicating the intense interest in the Bill.

Speakers will include two former prime ministers, Lord Home of the Hirsel and Lord Callaghan, a group of former education secretaries and many university chancellors.

Lord Carlisle, former Conservative

education secretary, will make his maiden speech on the Bill and is known to have doubts about many aspects.

Mr Baker is planning to meet Conservative and independent backbench peers regularly during the Bill's passage through the Lords.

The higher education reforms are likely to bring the most heated debates with Lord Sainsbury, Chancellor of York University and a former chairman of the BBC, already taking part in an amendment to the second reading. The convention is for a government Bill to be given an unopposed second reading.

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Runaway minister dies at 62

By Robin Young

Mr John Stonehouse, the former Labour Cabinet minister who faked a disappearance and was sentenced to seven years in prison for theft and criminal deception, died of a heart attack yesterday.

Mr Stonehouse, aged 62, collapsed during the night at the house in Totton, near Southampton, which he bought with his second wife and former secretary, Mrs Sheila Buckley. He was rushed to Southampton General Hospital, but was dead on arrival.

Mr Stonehouse had suffered a series of heart attacks. Three weeks ago he collapsed with a suspected heart attack during Central Television's *Weekend Live*.

Mrs Buckley said yesterday: "The last 10 years took a tremendous toll on John's life. I feel bitter about this, but it is too late now."

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Wayne The Times announced that John Stonehouse was born on 15th November 1925 in Totton, Hampshire. He was educated at Winchester College and then at Balliol College, Oxford. He was a member of the Labour Party and served in the House of Commons from 1963 to 1979. He was Minister of Agriculture from 1974 to 1979. He was arrested in 1979 on charges of fraud and sentenced to seven years in prison. He was released in 1986. He died of a heart attack on 14th April 1988.

Man in the News

Moore is down but not out

By Robin Oakley, Political Editor

Conservative MPs were speculating yesterday how much longer Mr John Moore could last as Secretary of State for Social Services.

After the silence on the Conservative benches which greeted Mr Moore's lacklustre defence of the social security benefit changes on Wednesday, he had few friends rushing to his defence.

In politics, the time to kick a man is when he is down. The resentment built up by the canvassing nine months ago of Mr Moore as a potential "golden boy" successor to Mrs Margaret Thatcher - and his own apparent acceptance of the label half-pinned on him by the Downing Street machine in the post-election reshuffle - ensured there was a relish about the tea-room dismemberment.

Expressions such as "sending a boy to do a man's job" and "lack of intellectual firepower" were common among Mr Moore's colleagues yesterday and there was little sympathy for the bad state of Mr Moore's throat, which had left him almost inaudible.

MPs recalled that not only had Mr Moore been struck down for two months by viral

pneumonia last autumn, but when he last faced the Commons in an important debate on the National Health Service he had also developed a fit of the croaks.

Truly, there is none quite so unfortunate as a politician down on his luck.

Mr Moore has displayed an inability to adjust his game to changed circumstances or to read and respond to the mood of the Commons.

Two months ago he was rejoicing that the disputes over the health service had enabled him to initiate a necessary debate on its future structure and that his two months' enforced absence had given him the thinking time so often denied to top politicians.

It is no use stimulating debate if you then lose the argument, and there is little sign of Mr Moore exerting any intellectual authority over his department and the future structure of the NHS.

The new thinking is coming from the Centre for Policy Studies and the Downing Street policy unit, not the Department of Health and Social Security. Mr Moore, his department and the Government remain on the defensive

over both the NHS and social security and that is what Tory backbenchers find it hard to forgive.

It has been noted, too, that Mr Tony Newton, the Minister for Health, has provided more robust counter-attacks than Mr Moore and that Mr Nicholas Scott, Minister for Social Security, has proved more adept than Mr Moore at taking the flak in the social security "winners and losers" war.

Mr Moore's chances of becoming the right's Crown Prince for the succession to Mrs Thatcher can now be disregarded. However, it is far too soon to write him off as a likely Cabinet discard.

Mr Moore, aged 50, who had served a long and steady apprenticeship as a junior minister at Energy and at the Treasury before a respectable spell as Secretary of State for Transport, was oversold on his dispatch to the DHSS. He may never again be the gilded hero he was painted on his arrival there and must struggle now to reassert his political career. Older hands say that he is not yet damaged beyond repair.

Lawyers to study selection of juries

By Frances Gibb, Legal Affairs Correspondent

Jury selection procedures are to be examined by the Criminal Bar Association because of concern that the system is open to manipulation.

Mr Peter Carter, association secretary, said: "There are anecdotal stories on how certain jurors might be told things by ushers about criminal procedure, such as the role of prosecuting counsel or the defence; and there is a danger a juror might be influenced by what someone outside court suggests to him."

There is also concern over the possibility of pre-selection when juries are empanelled. "Are potential jurors sounded out in advance, for instance, when it is known to be a long case, so those who have commitments are weeded out before they come to court?"

The association, which has 1,000 members, wants to examine both how a group of 12 or so potential jurors is drawn from the electoral roll for a particular period of time at a court and how the 12 jurors are chosen.

"The inquiry is likely to lead to proposals for reform, including giving defence lawyers the same information about jurors that the prosecution now has. The prosecution is given names and addresses of jurors, which enables it to check with criminal records whether any have convictions."

Mr Carter said: "If the defence had the same information and could see, for instance, that a juror came from the area where the offence was alleged to have been committed and it was one which caused a lot of notoriety, this instead of the judge asking jurors if they have heard anything about the case, the defence could perhaps challenge that juror."

The Government, in the Criminal Justice Bill going through Parliament, is abolishing the defendant's right to challenge jurors without stating a reason. That means a probable expansion of challenges made for cause, in which a reason is given, Mr Carter said.

Other areas for reform are to be considered. These are likely to be debated before or at the first conference of the association, this summer.

One is the controversial issue of pre-trial disclosure by the defence. Under this, the defence would be obliged to answer questions as to the nature of its case in open court. It exists only for fraud cases in England and Wales.

The association believes there is a case for some system of pleading in which the defence would have to say which points of the prosecution case are agreed, and which of the documents are accepted as admissible.

Fund vote by Civil Servants

By Roland Rudd

The Institution of Professional Civil Servants has voted by more than four to one to set up a political fund to carry out traditional campaigns threatened by the Trade Union Act, 1984.

The Act prohibits unions taking any action which may influence the outcome of how people vote unless the campaign is politically funded.

During the five-month campaign the union emphasized the danger to traditional activities carried out by members posed by the sweeping definition of a "political activity". Anything deemed critical of government policy can be interpreted as political action.

The union's campaigns on GCHQ, privatization, pensions, health and safety and nuclear energy could all be deemed political in the courts and unlawful without a political fund.

A campaign by the National Association of Local Government Officers, called *Make People Matter*, was stopped last year when the Government took the union to court.

The ballot was 37,957 (81 per cent) in favour and 8,991 (18 per cent) against.

Off-duty PC killed attempting to stop armed bank raiders

By Michael Horsnell



PC Frank Mason: "a very popular, dedicated officer"

An off-duty police officer was shot dead yesterday when he tackled two armed men threatening security guards outside a bank in Hemel Hempstead, Hertfordshire.

Police Constable Frank Mason, aged 27, a former crime reporter, was shot in the chest as he grappled with the raiders and died on his way to hospital.

The two men escaped with £15,000 in cash which an armoured Securicor van was delivering to Barclays Bank.

PC Mason, who was married with no children and lived in Hemel Hempstead, intervened as the raiders held up one of the Securicor men with a handgun.

The vehicle had just drawn up outside the bank at 10.14am to deliver money from Barclays' account holders in the area.

One guard had left the van and was standing at a chute through which his colleague inside was to pass the money for depositing at the bank.

The two raiders, wearing crash helmets, were passed three bags of cash in notes, normal Securicor policy when guards are "under duress".

The police officer intervened at that point and identified himself but was shot in the chest.

The raiders made their getaway in a waiting silver Vauxhall car which they then abandoned near by in the town centre.

Mr Mansel Davies, a school caretaker who had just come out of the bank when he heard a shot and witnessed the getaway, tried to ram the vehicle with his car.

Mr Davies, aged 54, a father

the pavement to get round him.

It was the second armed robbery Mr Swan had witnessed at the bank. Two years ago a Securicor Express guard was shot in the hand during a raid.

Barclays Bank expressed regret at the death of the police officer and closed the branch for the day.

Mr Ernest Joyce, a spokesman for Securicor, said: "We are very sad about what has happened".

He added: "At the time of the attack there was no money outside the van but in such a life-threatening situation three bags of money were put into the bank chute for the villains to take."

"At this point the off-duty policeman intervened, identified himself and was shot in the chest. The two bandits then took the three bags, containing about £15,000 and some cheques, and made off to a car park."

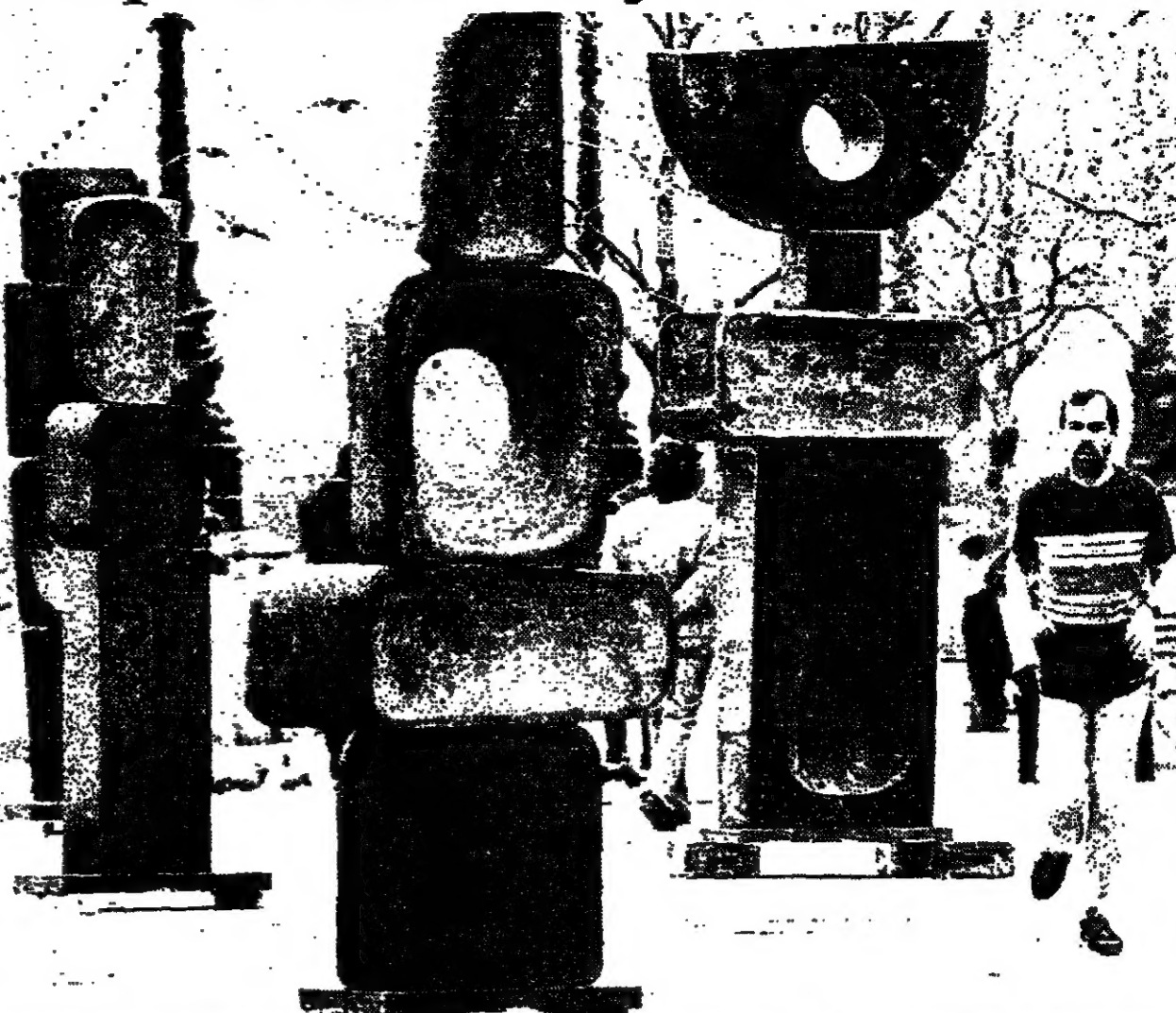
Chief Supt Michael Buttle, the head officer's divisional commander, said last night: "PC Mason has shown himself to be a very popular, dedicated officer and his actions today are in the true traditions of the Hertfordshire Constabulary."

"He was very well thought of by his supervisory officers and his dedication to his job was shown by today's events."

PC Mason was the first officer to die from a criminal attack this year but he is the eighteenth policeman killed in the 1980s, according to Home Office figures.

Last night the cash had been recovered and seven people were being questioned by police.

Hepworth family moves home



Set against the Thames are Barbara Hepworth's nine sculptures, "The Family of Man", normally found in the landscaped Yorkshire Sculpture Park. The figures, created in 1970 five years before her death, are part of "End Games", a celebration of late works including music, theatre, film, art, dance and literature that runs until July 3 (Photograph: Peter Trievnor).

Police intervention 'threat to soccer'

By Kerry Gill

The future of professional football could be jeopardized if police intervened every time a violent incident took place on the field of play, an international referee told a court yesterday during the trial of four international players.

Mr James Duncan, one of Scotland's most senior referees, told Glasgow Sheriff Court that he would consider giving up refereeing if there was "police intervention in situations which are basically refereeing matters".

Mr Terry Butcher, aged 29, Mr Graham Roberts, and Mr Chris Woods, both aged 28, all of Rangers, and Mr Frank McAvennie, aged 28, of Celtic, deny conducting themselves in a disorderly manner and committing a breach of the peace at Ibrox Stadium during the "Old Firm", Rangers-Celtic match, refereed by Mr Duncan, on October 17.

Mr Duncan told the court that bringing on police to deal with incidents on the field would be a backward move. "Football has gone on for hundreds of

years with no interference from the law and I would like to see it continue that way."

The logical extension of bringing on police would be that football would be played with no spectators.

The trial continues today.

Chris Kamara, of Swindon Town Football Club, was fined £1,200 at Shrewsbury Magistrates' Court yesterday in the first prosecution of a Football League player for an on-field assault. Full report, page 38

Robbers 'were shot to save guard'

Police shot dead two hooded robbers and wounded a third because they believed a security guard was in mortal danger, the Central Criminal Court was told yesterday.

Police Constable Anthony Long, aged 30, opened fire on the armed robbers as they tried to rob a Securicor van of £120,000 at a slaughterhouse in Garland Road, Plumstead, south-east London, last July.

Police waiting in ambush had been watching the robbery in a specially prepared van.

Mr Graham Boal, for the prosecution, said that as a guard collected a bag containing £3,000 from the security van, one robber yelled at him: "Drop it, you bastard".

The guard was threatened with a shotgun and another robber poked him in the ribs with a revolver. Mr Boal said: "The bandits were menacing and ruthless. The watching police also heard the robbers threaten to shoot the van's driver."

Mr Boal said the police then leapt from their vehicle and called: "Armed police". There was "no obvious response".

Nicholas Payne, aged 29, of Berling Road, Bexleyheath, south-east London, and Michael Flynn, aged 24, of Bargery Road, Catford, south-east London, were killed and Derek Whitlock, aged 24, was wounded, the court was told.

Whitlock, unemployed, of Samuel Street, Woolwich, south London, and Richard Parfett, the getaway driver, have both pleaded guilty to attempted robbery. They will be sentenced later.

On trial is David Bowditch, aged 23, of Dryden Road, Welling, south-east London, who denies conspiracy to rob. The court was told he supplied the gang with the getaway vehicles.

The trial continues today.

Doctor of the Year award

Winner in NHS cash plea

By Jill Sherman, Social Services Correspondent

For a few hours Dr Malcolm Levene, who was yesterday named Doctor of the Year, was prepared to don his best suit and sip cocktails at the Savoy with insurance salesmen and Bupe executives.

He had won £1,000 from Bupe in recognition of his research work into brain damage and premature babies.

But Dr Levene, director of the neonatal intensive care unit at Leicester Royal Infirmary, made it clear that he was less than comfortable in the chintz surroundings.

He was itching to get back to his NHS hospital where he appeals for research grants and becomes upset when sick babies are turned away because of nursing shortages.

"In terms of the work I do there is little the private sector can offer because the type of patients who need care are those who are most socially deprived", Dr Levene, aged 37, said. Premature birth was related to social class, he said.

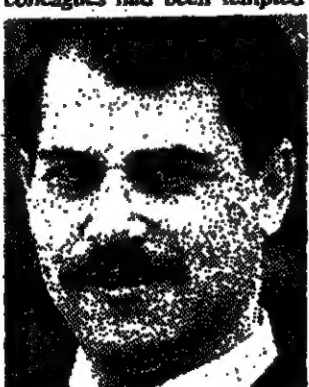
Intensive care for babies is expensive and at the end of the day the baby may die or become severely handicapped. Is this not a waste of precious NHS funds?

He said: "It is a price that we have to pay for calling

ourselves a civilized nation. The result justifies the costs. The vast majority of children who receive intensive care survive to be healthy tax-paying members of society."

Twenty years ago very few children under 1,000 grammes (2lb 3oz) would have survived and only 20 per cent of those between 1,000 and 1,500 grammes. "Now 90 per cent of children up to 1,500 grammes survive and 60 per cent of those under 1,000 grammes."

His belief in the NHS, in the face of financial restraints and recruitment problems, is unswerving. Neither he nor his colleagues had been tempted



Dr Malcolm Levene: committed to the National Health Service.

to join the exodus of medical researchers to other countries.

"Our health service is one of the best in the world. We don't have to worry about whether the patient can afford the care. In the USA the bill for caring for a premature baby in intensive care, up to \$500,000, can break parents financially."

His research work was suffering because of financial constraints and he had to rely on charity. "I have been very lucky as I have been supported by the Spastics Society, but every few months I have to fill out more applications for grants to continue my work and throw all the balls into the air again."

"The country must be prepared to make adequate financial provision for both care and research", he said.

He accepts the need to review the NHS, yet is adamant that nobody should face financial hardship or financial penalties to get adequate care. If that principle is kept intact any method of funding the health service could be considered, including introducing charges for those who can afford them.

"Ultimately nobody working in the health service can be in any doubt that it needs more money."

Medical charges deter poor

Levying charges for medical care deters people from using health services, particularly the poor and children, according to a report from the Institute of Health Services Management.

The interim report, part of the institute's study of alternative methods of funding the health service, points to evidence from the United States and Canada that where charges have been introduced for house visits and for emergency or hospital outpatient

services, fewer people have used them.

In this country a study by Mr Stephen Birch, of York University, showed that increases in prescription charges between 1979 and 1982 led to a 7.5 per cent drop in take-up.

The institute report, based on information from three working papers, says alternative systems of paying for health care should be adopted only if they produce better patient care and lower costs.

Professor Tony Culver, of the Centre for Health Economics at York University, says that the lack of financial information in the health service means that decisions are taken in the face of ignorance about both likely cost and benefit.

Introducing new systems could merely produce new problems. Working papers 1, 2, and 3, (Institute of Health Services Management, 75 Portland Place, London W1N 4AN; £1.95, £2.50, £2.95).

Church alterations dispute

Vicar 'danced in the aisles'

By Ronald Faux

A vicar whose plans to rearrange his church to allow more space for evangelical worship have divided his parish, was yesterday alleged to have danced in the aisles.

Mrs Angela Southern, a member of the Winchester diocesan synod and a worshipper at the Church of St John the Evangelist, Hartley Wintney, Hampshire, said she had been involved in "informal" services presided over by the Rev John Earp at the church and found them a "hotch potch".

"Anything could happen including, I am sad to say, the vicar dancing up the aisles. It was not the charismatic service I have experienced and in which I am deeply involved", she said.

Mrs Southern was speaking on the third day of an ecclesiastical hearing at the church

hall into the plans by Mr Earp, aged 69.

The small hall was again packed with parishioners and it was the turn of the St John's Protectors, a group set up to oppose the vicar's plans, to object to the proposals to open up the church's floor space by removing the pews, carpet the tiles and put the altar close to another wall.

Mr John Heywood, a retired architect, said the alterations would be disastrous. He said the church was designed to give greatest emphasis to an east-west axis with a beautiful west window - a device used by architects to turn minds to thoughts of some higher kind.

The idea of repositioning the altar in front of a west arc of chairs was not tenable.

Some of the parishioners' ill-feeling has been created by

the style of worship the church provides.

Mrs Southern told the hearing that renewal was sacramentally based, but allowed for freedom of worship among totally like-minded people when worshippers could raise their hands and enjoy the freedom. But in parishes where not everyone understood or liked what they were doing, the experience could be very offensive.

Mrs Hilka Currow, aged 79, told the hearing that she went to church between three and five times every Sunday and objected to the proposal that would make the building resemble a four-star hotel. The idea of carpets was horrific.

The evidence was completed yesterday and Mr John Spokes, the diocesan chancellor, will announce his findings on Monday.

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"Oh a little bit of digging, a little bit of homework" I said, "Do you think it was worthwhile?"

"Very much so" he replied. "Have a good weekend."

Praise indeed. Unfortunately six months too late.

And now I'm running late too.

The lift took me silently down to the car park. Although I've had the Renault 21Ti for some time this is still one of my favourite moments. Simply sitting and taking stock.

The contoured seats. The tinted glass. The analogue dash telling me all is well. Except of course the time.

Foot down, but in this traffic there's no way I'm really going to exploit the fuel injected two litre engine.

Or in this weather take advantage of the electrically operated sunroof.

However, there are compensations. I tap the security code into the thief proof stereo and, using the very nifty stalk control mounted on the steering column, enjoy 4 x 6 watts of blistering power.*

Bliss.

Not the vintage Clapton but a stretch of road at last devoid of cars. Even in the wet (or should I say particularly in the wet?) the power steering and roadholding feel really positive and good.

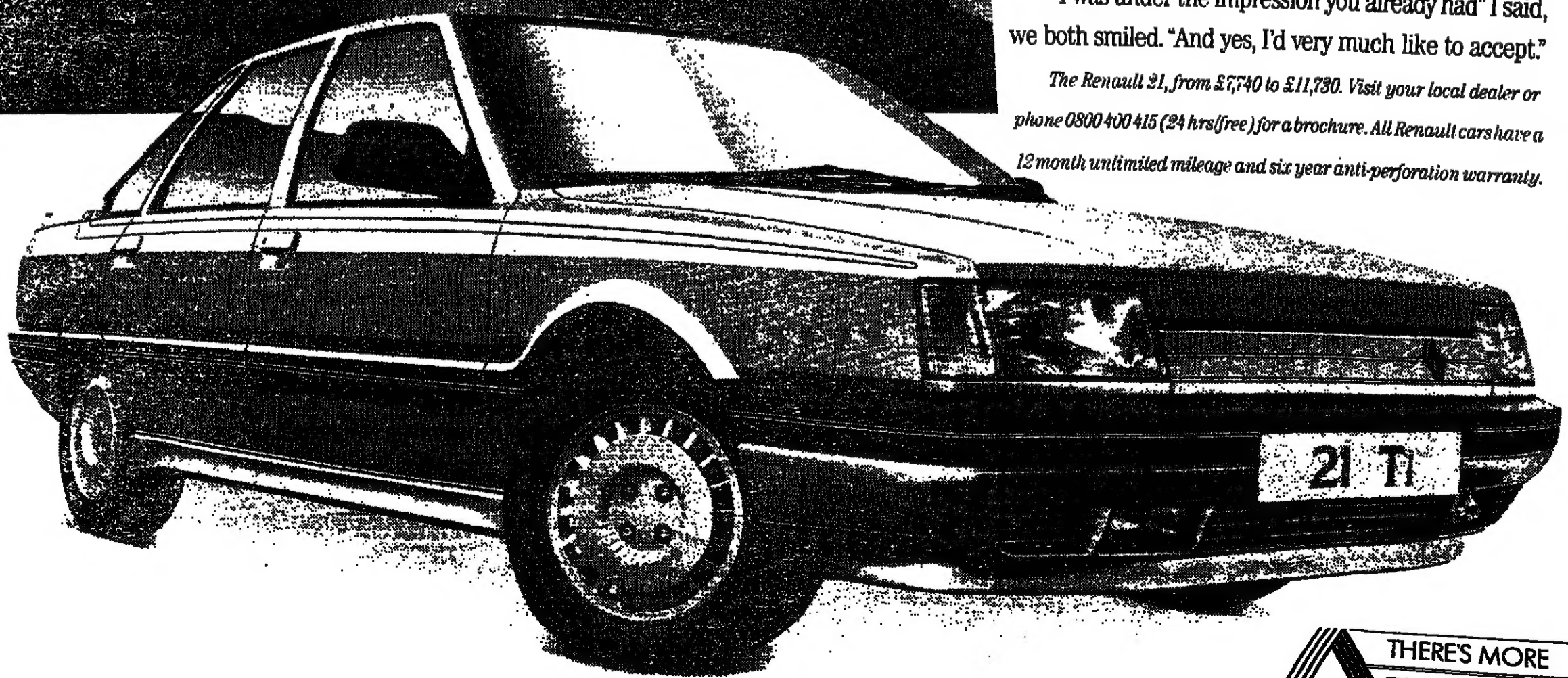
But all too soon I'm back into the 30 mph zone and a last red light before my destination.

Consolidated Alloys.

"Hello Andrew, come in, sit down." It's their MD; a guy called Turner, we've only met once but I like him. "Can I offer you something?"

"I was under the impression you already had" I said, we both smiled. "And yes, I'd very much like to accept."

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EEC urged to be flexible

Fear of competition 'threatens plan for single open market'

By Michael Dynes

The EEC goal of creating a single European market by 1992 is being jeopardized by deep-seated government and industry fears over the consequences of increased competition, according to a report published yesterday.

"It will be a major political challenge to prevent the short-term interests of a few well-organized and vocal groups from aborting the completion process", the report, *Europe's Domestic Market*, says.

The Royal Institute of International Affairs, which produced the report, warns the European Commission that a "pragmatic and flexible" attitude towards exceptions will be necessary to keep intact the momentum behind a single market by 1992.

Signor Umberto Agnelli, the deputy chairman of Fiat, appealed to British businessmen to participate fully in the attempt to build a Europe capable of challenging the economic might of the United States and Japan.

Signor Agnelli said that Italy, like Britain, had also harboured grave reservations about the prospects for welding the 12 European economies into one.

But over the past two years, Italian politicians, industrialists and economists had become intoxicated — almost to the point of over-commitment — with potential for economic growth and development offered by the single market programme.

Signor Agnelli was speaking at the institute to mark publication of its report.

He is a prominent advocate of the European ideal and said it was imperative that the newly found momentum towards economic integration must not be allowed to dissipate itself in empty rhetoric.

"Today we face the world from a position of weakness. The leading national companies that carry all before them at home, and are therefore helped to an inordinate degree by their governments, are no more than medium-sized on a world scale."

The institute said the challenge facing the EEC in the run-up to 1992 would be to strike the correct balance between the economic imperative of total completion, and the political necessity of allowing a minimum number of exceptions.



Spearhead, a computerized database to give guidance to businesses on issues relevant to the 1992 single European market was launched in London yesterday by Lord Young of Grassham, the Secretary of State for Trade and Industry.

Lord Young, who claims the system is unique in Europe, said: "This is only the beginning. The Spearhead database will be progressively developed and extended. We will be looking at ways in which the core of information can be augmented."

The database carries comprehensive information on the single market including measures agreed but not yet in force, as well as measures either planned or under discussion. Data, including full texts of relevant European Commission legislation, can be called up by telephone using a computer or similar terminal for £1 a minute.

The database is accessible through Profile Information, a Financial Times subsidiary. It will be demonstrated at the annual launch on Monday at the Department of Trade and Industry's "Europe Open for Business" campaign.

"What is required are modest but lasting steps towards the European domestic market, rather than spectacular but dubious ones."

The report echoes the sentiments of Lord Cockfield, Britain's Commissioner for the internal market programme, warning member states that an à la carte implementation of the internal market White Paper "could destroy the belief of the business community in 1992", with disastrous consequences for the economic revival of Europe.

The report puts much of the blame for the ailing European economy — diagnosed by our United States competitors as Euroclerosis — on government protection, labour inflexibility and poor management, fostered by non-competitive conditions.

But, the report says: "If completing the internal market can break down barriers such as biased public procurement, capital market discrimination against small firms, and inter-member market sharing arrangements, it could herald a burst of innovation and development", throughout the community.

The report argues that over the long-term, success in creating a genuine European domestic market "cannot be confined to the agenda of liberalization and the dismantling of trade barriers". It dismisses the British Government's suspicion over increased economic co-operation as exaggerated. "A stronger European Monetary System, greater monetary coordination and an alignment of national policies on company law are also needed."

Britain must expect a series of rulings on value added tax from the European Court of Justice, forcing the Government to reduce the number of zero-rated categories. The report says "only minor economic consequences" will result in Britain because of Lord Cockfield's proposals to harmonize indirect taxation. Resolution of that vexed fiscal issue, however, is one of the greatest obstacles facing the internal market programme.

According to the authors, a significant proportion of Britain's trade with the EEC is in areas where trade barriers are high. Their removal will put British industry in a good position to reap considerable advantages. The report says, however, that some sectors of industry have shown alarming signs of "turning inwards".

Britain's telecommunications equipment manufacturers, for example, have failed to participate in the trend towards joint ventures — such as the link-up between the US telecommunications giant AT&T and the French company Alcatel.

That suggests the belief held by British equipment manufacturers that they will corner the lion's share of Europe's telecommunications market is illusory. *Europe's Domestic Market*, by Jack Feldman and Alan Waters with Helen Wallace (Routledge on behalf of the Royal Institute of International Affairs; £6.95).

Royal tribute to the life-savers



Mr Benny Read, coxswain of the Shirley Jean Adye lifeboat, at Caister-on-Sea yesterday (Photograph: Bryn Colton).

The Prince of Wales will today show his support for Britain's only independently run lifeboat when he visits the crew of the Shirley Jean Adye at Caister-on-Sea, Norfolk.

The vessel is scheduled to become a fishing boat after more than 35 years of lifeboat service, and the crew has launched a £400,000 appeal to replace her. More than £100,000 has been raised.

The Caister lifeboat has saved more than 2,000 people since it was founded 130 years ago. It became independent in 1969 when the Royal National Lifeboat

Institution decided to close the station, which is now run as a charity.

In spite of being close to the RNLI station at Gorleston, the Caister lifeboat has continued to prove its usefulness. In November 1986, the crew rescued eight men from the Seaforth Conqueror and six crew members later received bravery awards from the RNLI.

The new boat will be larger and three times faster, with a speed of 20 knots. She will be covered and there will be space on board for 60 people, 30 more than on the present boat.

The Shirley Jean Adye has just

returned to Caister after a three-month refit costing £20,000. She was named after the wife of the man who gave the biggest donation towards restoring the boat.

Mr Benny Read, its coxswain and one of those to receive the bravery award, said: "We have saved just as many lives since we became a charity. If a boat is in trouble, we hear about it from the coastguard or on our own radios, or we see it from the beach."

"We hope Prince Charles's visit will boost the appeal. The boat will be ready for him to go out in if he wishes."

SDP braces itself for survival battle

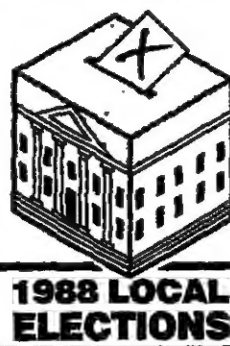
By Martin Fletcher
Political Reporter

For the Social Democratic Party the priority in next month's local council elections is simply survival.

Dr David Owen's residue party — a mere blip on the opinion poll charts — is contesting nearly 350 of the 3,798 seats. It is defending 13 seats won in 1984, but in only nine are the present councillors standing again.

Mr John Cartwright MP, SDP president, said yesterday the party would do well to hold on to what it has, and was hopeful of "the odd gain" in one or two areas.

He was encouraged that the party could put up so many candidates, barely a month after the members for and against merger with the Liberals finally went their separate ways. Mr Cartwright sees the local elections as an early stage in the long process of



1988 LOCAL ELECTIONS

rebuilding the SDP "after the traumatic events of the last nine months or so".

The greatest danger for the SDP is annihilation by the Social and Liberal Democrats in those seats where they are fielding candidates against each other. The SLD, keen to portray itself as the only credible centre party, is determined to strangle the SDP and sees the May 5 elections as a golden opportunity.

Officials are already making

political capital from the result of the recent by-election in Mansfield, the first which both have contested, where they gained the seat with 36 per cent of the vote and the Owenites came fourth with just 3 per cent.

Mr Cartwright calculates that SDP candidates will be opposed by SLD in nearly half the 350 seats, but he prefers to focus attention on those councils where the two parties have reached "understandings".

In Oldham the SLD have even donated £45 to the SDP cause. In Nuneaton the two parties issued a statement saying "common sense must prevail".

By and large, Mr Cartwright said, the SLD has shied away from challenging the SDP in its strongest areas, and vice versa. Nevertheless there are going to be some acrimonious battles. The SDP is fielding 16 candidates in Stockport, 16 in Sheffield, 12 in Reading, 11 in

Crawley and 11 in Gillingham — every one of which will be fought by the SLD.

The SDP's three MPs — Dr Owen, Mr Cartwright, and Mrs Rosie Barnes — will make strenuous efforts to support their candidates, and the SDP will be portraying itself as the only party offering a "clear, constructive and unambiguous" alternative to the Government's "iniquitous" community charge. It advocates a local income tax which would reflect ability to pay.

Freed from the ideological restraints of the old Alliance, it will support the break-up of council estates, and argue for greater choice and control for existing tenants.

The SDP opposes further development of green field sites, wanting greater investment in inner cities. It wants to see vigour restored to local councils rather than the "grey uniformity of central control".

Rylands library gets £1.8m from sale

The stigma surrounding an historic group of books from the John Rylands library of Manchester did anything but dampen prices yesterday when they fetched £1.8 million, double their pre-sale estimate, at Sotheby's. The top lots went to dealers.

Top lot, at five times its estimate, was a first edition of the *Hypnerotomachia*, an important Italian Renaissance treatise written in the form of an allegorical romance, with woodcut illustrations, possibly by Giovanni Bellini. It sold to Quaritch for £187,000.

Next came an edition, once owned by Lord Spencer, of Aristotle's works, which fetched £121,000 (estimate up to £60,000), also to Quaritch.

Other high prices included that of £77,000 (estimate £25,000 to £30,000) for one of three extant vellum copies of *De Situ et Memorabilibus Orbis Capitulis* by Solinus, bought by the Paris dealer Beres, and £71,500 (estimate £15,000 to £20,000) for a three volume edition of Aesop's fables in Greek, bought by the New York dealer Breslau.

Mr Keith Farney, of Manchester University Library, said: "It means we can now do

SALE ROOM
by Sarah Jane Checkland
Art Market Correspondent

the things we set out to do for our new research foundation".

Those included employing staff to catalogue and lend resources such as the Clinton Papers from the Peninsular War and the fourth richest collection of Judaica in the country, both "virtually rotting" for years.

Sir Hugh Leggett, secretary of Heritage in Danger, said later: "What a savage blow to civilization".

Christie's South Kensington had time in its hands yesterday, selling a collection of superlative instruments from the Time Museum, Illinois. The sale went well, totalling £60,000 over its estimate of £376,000.

Top lot was a sixteenth century Italian brass astrolabe made by Adrien Descloriers at Mantua which fetched £71,500, against an estimate of £25,000 to £30,000.

English furniture also sold well at Christie's King Street, although the auction house had no spectacular offerings.

A pair of rowlocks from a lifeboat from the ill-fated Titanic was sold for £110 at an auction in Lincoln on the seventy-sixth anniversary of its sinking, on April 14, 1912, with the loss of 1,500 lives.

High-tech aims to cut postal delays

By Roland Radd

The Post Office yesterday unveiled a revolutionary computer system to improve delivery targets and the quality of service by using the latest technology to avoid potential hold-ups such as bad weather and transport breakdowns.

The £1 million computer, Delivery by Air, Road and Rail Transport (Dart), will plan and co-ordinate letter deliveries through a nationwide network of terminals linked to a central system in Chesterfield. It is expected to avoid pitfalls such as train delays and road works by suggesting alternative routes.

Mr Bill Cockburn, the Post Office's managing director, letters, said: "The Dart system will revolutionize the way we plan how mail is handled around the country, making instant adjustments to improve mail's movements".

However, Mr Alan Tuffin, general secretary of the Union of Communication Workers, warned management that

if it did not deal with under-staffing and low morale it would not significantly improve the quality of service.

Management says there has been a staff increase of 18,000 over the past two years and has promised a further expansion of 20,000 over the next five years if growth continues but Mr Tuffin said his members were demoralized by staff cuts and low pay.

The union has rejected a 4 per cent pay offer and wants a "substantial increase" of about 7 to 8 per cent.

Mr Tuffin said: "Most of my members take home less than £90 per week which has led to a high number of unofficial stoppages in rural areas, where there is little chance of earning bonus or overtime payments."

"While I welcome the new computer system, if there is not an improved pay offer before our annual conference next month there will be a motion in favour of industrial action."

The computer system is the latest in a series of measures, which include increasing the number of second day deliveries by 400,000, to improve the service in the face of mounting criticism.

Mr Kenneth Clarke, Minister for Trade and Industry, has told MPs that the Post Office was failing to meet delivery targets or achieve the improvements recommended by the Monopolies and Mergers Commission in 1984.

Mr Clarke said there were eight recommendations which the Post Office had failed to implement. The recommendations include a better quality of service and standard times and costs for letter posts and a productivity scheme based on them.

The latest figures available show the Post Office is failing to meet its 90 per cent target of next-day deliveries; 88.7 per cent of the 50 million letters handled each day arrive on time.

Weekend prices

Microwaves feed a boom in chickens

Microwave home cooking of frozen chicken portions is the fastest growing area in a market that has seen a big rise in chicken consumption in the past 10 years.

Chicken prices are: fresh, whole 66p to 99p a lb, boneless breasts £2.09 to £2.79, breast fillets £2.89 to £3.29; frozen, whole 49p to 66p a lb, quarters 87p to 98p, and boneless breast £1.45.

Meat prices generally are up with the highest increase on home produced lamb — up to 12p a lb. Whole leg is between £1.29 and £3.50 a lb. Whole shoulder is between 88p and

£2.38 a lb. New Zealand lamb legs and loin chops are up a penny or two a lb.

Whole leg of pork is slightly cheaper this week at an average £1.07 a lb. Boneless shoulder ranges from 98p to £1.55.

Meat promotion this week includes Tesco fresh topside of beef £1.99 a lb, and fresh boneless pork chump steaks £1.49. Sainsbury fresh pork chops with rind £1.28 a lb, home produced steak and kidney £1.28. Presto frozen whole shoulder of New Zealand lamb 68p a lb, fresh pork chops £1.28. Asda fresh

chicken up to 3lbs 15ozs 69p a lb, home produced braising steak £1.49. Bejam chicken portions 5lbs for £3.15, boneless diced mutton 2lbs for £2.59.

Cod, plaice and whiting are down by up to 6p a lb. Lemon sole and haddock are down to about £2 and £2.55. Huxie is about £1.40 to £1.60. Scottish halibut is £3.60. Dover sole is about £4.90. Rainbow trout is £1.80, salmon cutlets £3.90 a lb.

At Billingsgate fresh white pomfret from Pakistan is about £3.45 a lb and black pomfret from India should be

available tomorrow. Cray fish from Louisiana is 75p a lb and Tilapia (St Peter's fish) is about £2.40.

Peeled and shell-on prawns are £2.20 to £2.50 a lb, cockles £1.20 a pint, crabs £2 a lb and Venus crabs £1.40.

Thompson and sultana grapes are 70p to £1.30 a lb. Strawberries from Spain and Carmel 50p to 80p a ½lb. Oranges from 6p to 25p each.

Cauliflowers 40p to 70p each; cabbages 20p to 30p a lb; broccoli 40p to 50p; round lettuce 22p to 30p each; cucumbers 40p to 60p; watercress 30p to 40p.

How Romans tackled social climbers

By Philip Howard

"Made in Britain" is an older trade mark than we suppose. At the Classical Association meeting at Bristol University yesterday, Dr Peter John Wild of Manchester University discussed the trade and industry of our rude forefathers that is being brought to life by archaeology.

The Water Newton excavation at Durobrivae (Chesham), near Cambridge, have found pottery kilns beside three large Roman villas. This has tempted some scholars to suggest that Roman Britain was a classless society. Pottery could climb from rags to riches and become landed gentry, and they did in

the industrial revolution. Not so, alas.

The best view is that the landed gentry themselves were involved in trade and industry of all kinds, and that their artisans could not climb up the British class ladder. Pottery was big business. Under Hadrian a factory in Dorset won a contract to supply kitchenware for the whole of occupied Britain.

British textiles were even more important than pottery. They are being found, preserved in the damp pits of Vinodolanda. An edict of Diocletian shows that British wools were in the Marks & Sparks price range, but the British experts, a small rug used as a horse blanket, was Harrods.

It is not only our generation that is

obsessed with words and meanings. The fifth century BC was also concerned with the power and collapse of language. Dr Simon Goldhill of King's College, Cambridge, examined the language of Sophocles's *Electra* the most controversial play in Greek drama.

Was *Electra* the happy matricide or the grimmest example of psychotic behaviour ever seen on the stage? Does mourning in every sense of the word become *Electra*? Dr Goldhill argues that the *Electra* is filled with concern for the proper and improper use of language.

Characters constantly discuss the relation of words to deeds which explains the violently opposed reactions of scholars to the play.

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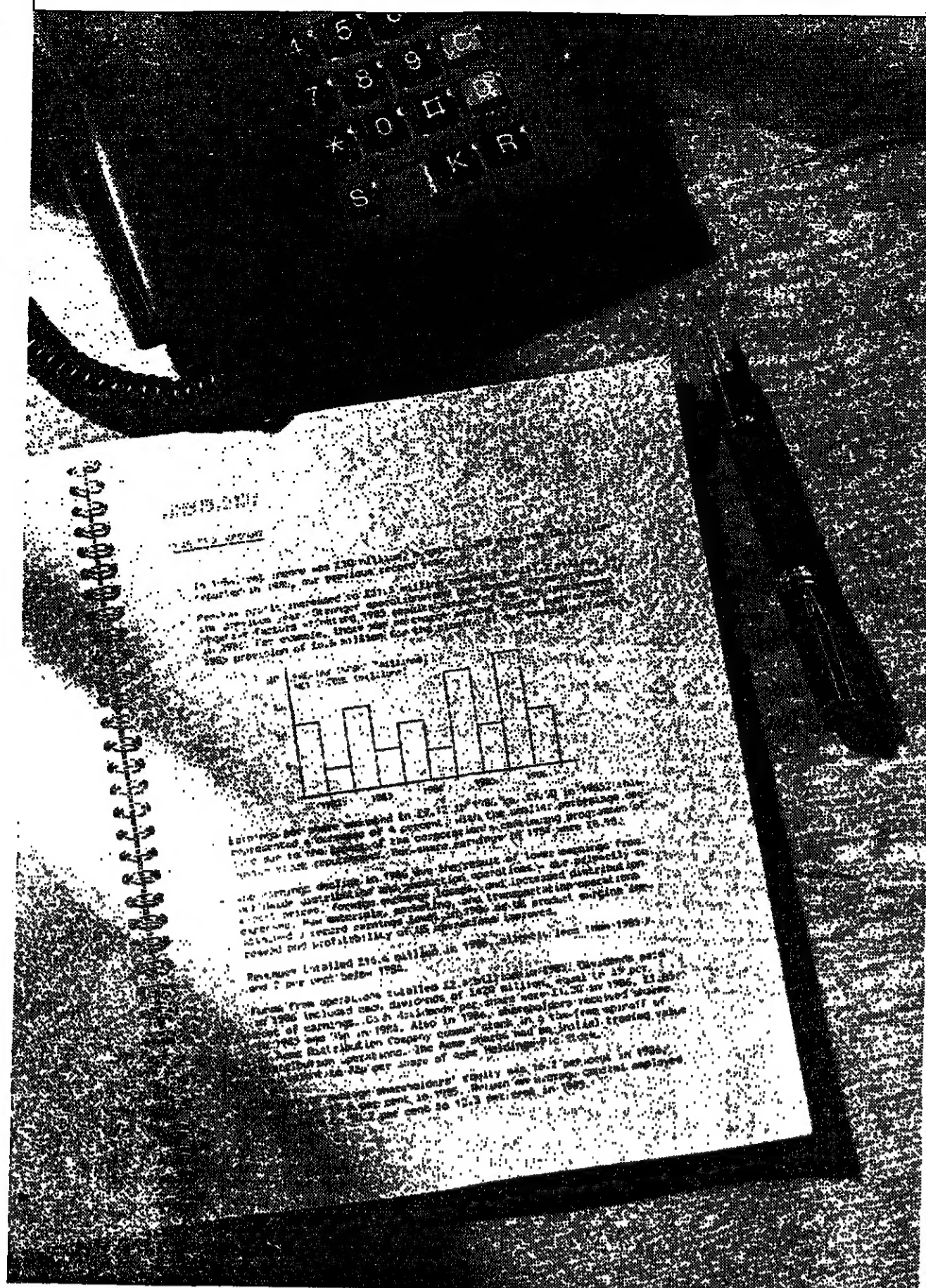
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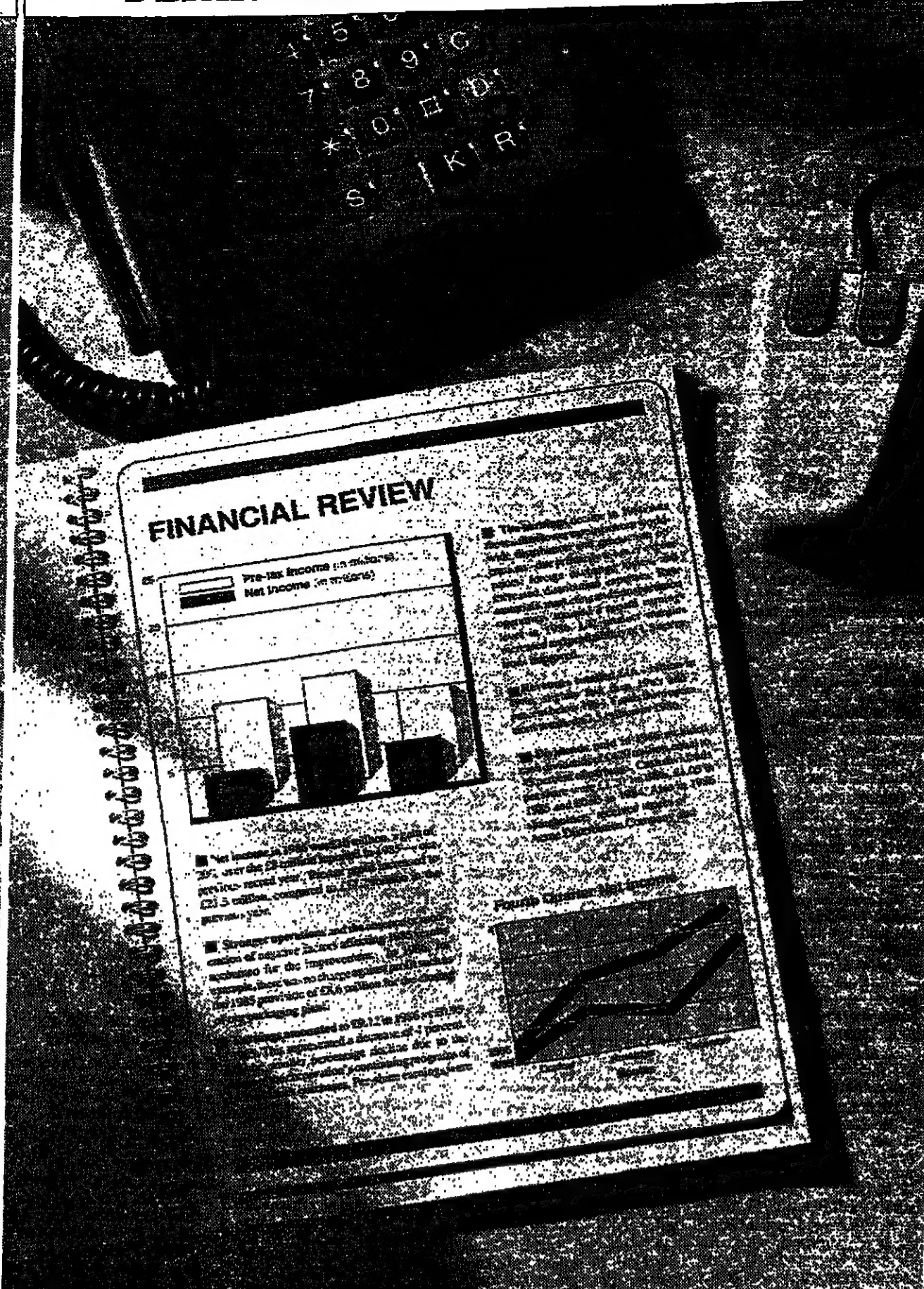
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WORLD ROUNDUP

US seamen hurt in Gulf blast

Washington — A US Navy frigate on patrol in the Gulf was damaged by an underwater explosion yesterday and began taking on water. Six seamen were injured. The Pentagon said it could not confirm whether the vessel had hit a mine (Christopher Thomas writes). The Samuel B. Roberts was 20 miles east of Bahrain when the blast happened. The vessel was in no apparent danger of sinking but other US Navy ships steamed at full speed to the area.

The frigate is part of a force of 29 American warships stationed in and near the Gulf to protect US-flag ships in the region and to escort 11 Kuwaiti tankers carrying American flags through the Gulf. "The situation is under control," Pentagon sources said. They assumed that the ship, which had 190 seamen and 13 officers on board, had hit a mine. The engine room had been flooded.

Chief rejects Queen

Suva — Fiji's paramount chief broke a long silence yesterday to declare that he, and not the Queen, held the title "Tui Viti", or Ruler of Fiji (A Correspondent writes).

Ratu Sir George Cakobau, aged 75, who is also Fiji's "Vuni Valu" (War Lord) added that he had no plans to abdicate. Ratu Sir Kamisese Mara, the Fijian Prime Minister, visited London last month to pursue his claims that Fiji could maintain a link with the Crown because the Queen "was Tui Viti" — the title given to Queen Victoria when Fiji ceded to Britain in 1874. Fiji declared a republic last October and left the Commonwealth.

Trade visit clouded

Moscow — A visit by 500 American businessmen, some from top companies, ended on a low note yesterday when Mr William Verity, the US Commerce Secretary, said that any dramatic expansion of trade between the superpowers depended on improvements in the Kremlin's human rights record (Christopher Walker writes). He said that Washington was unlikely to grant Most Favoured Nation status to the Soviet Union until there was more progress in human rights, notably emigration. Lack of such status means that Soviet exports to the US are subject to high tariffs.

Deportation puzzle

Moscow — Britain yesterday asked the Soviet Foreign Ministry for further details about two British students who had been allegedly "anti-Soviet" publications seized from them as they tried to enter the country (Christopher Walker writes). Embassy officials, who believe that the two were secretly deported, said they knew nothing of the incident until reading about it in the Soviet press.

Johannesburg blast

Johannesburg — A bomb exploded outside the City Hall in the centre of Johannesburg last night but appeared to have caused little damage (Michael Horsby writes). There were no immediate reports of injuries. The explosion rattled the windows of the office of the *Times* near by, and set off burglar alarms in buildings several blocks away. Police cordoned off the area.

Private TV for Spain

Madrid — The Spanish Parliament passed a Bill here yesterday which will permit the establishment of three privately-owned television networks, utilizing the transmission facilities of the two government-run channels (Harry Debelius writes). During the stormy session at which the Bill was approved, opposition leaders threatened to challenge it in the Constitutional Tribunal.

Australian roulette

Cairns, Australia (Reuter) — The cane toad, one of nature's ugliest little beasts, is being exploited for the hallucinogenic properties of its hide, but eating the poisonous skin has been likened to a game of Russian roulette. Users boil the amphibians to extract the slime, which they then drink to experience effects similar to those of LSD, but the skins contain the poison bufotoxin which can kill.

New York's hotel empress facing tax fraud charges

From Charles Bremner, New York

Mrs Leona Helmsley, imperious owner of the Empire State Building, self-styled "queen" of New York hotels and one of the world's richest women, joined the ranks of the indicted mighty yesterday when she and her husband Harry were prosecuted for a string of fraud and income tax evasion charges.

The \$5 billion couple flew into New York on board a

set bail at \$1 million each, but changed his mind and said they could go free provided they did not sell the Empire State or the Helmsley buildings.

In glossy advertisements for the luxurious Helmsley Palace and their other hostilities, the handsome Mrs Helmsley parades in gold lamé and diamond tiara, proclaiming hers "the only palace in the world where the queen stands guard".

The regal style is not just show. She is said to have sacked hundreds of staff on mere whim and be capable of a will that would be enough to frighten King Kong off the Empire State.

It was the relentless mocking of the press that started the Helmsleys' current legal troubles. A grand jury started investigating their affairs in 1986 after a *New York Post* investigation into the amount of tax they paid on renovations to their Connecticut estate.

The Tudor-style mansion features an Italian marble pool, a walk-in silver vault and a \$37,000 stereo system that wafts music from fountain and flower bed.

The indictment accused the Helmsleys of using funds from their hotels to pay for \$4 million worth of improvements to their estate, including a marble dance-floor and the outdoor stereo system. The cost was put down as business expenses.

Several of the multitude of tax and fraud charges carry maximum terms of seven years in prison.

Mr Stephen Kaufman, the Helmsley lawyer, said yesterday that the tax fraud charges were completely groundless and grossly unfair. "They will fight these allegations tooth and nail because they are false," he added.

Friends also came to "Queen" Leona's defence, saying that she was a warm and generous woman. Others noted that one of her most appealing attributes is her public display of affection for her elderly husband — her "gorgeous one, her pussycat, her snooky, woolly, dooky," as she calls him.

The couple and two former employees pleaded not guilty to the charges. The judge first

Jews remember victims of the Nazi Holocaust

By Our Foreign Staff

Israel yesterday remembered the six million Jews who perished in Hitler's Europe with two minutes of silence and more than 100 Holocaust Day ceremonies and events around the country.

The ceremonies coincide with next week's 45th anniversary of the April 19, 1943, Warsaw ghetto uprising. Ceremonies to mark the occasion were also held in West European capitals and in Poland and the Soviet Union.

In Jerusalem, the Israeli Prime Minister, Mr Yitzhak Shamir, addressed the opening ceremonies at the Yad Vashem Holocaust memorial when he drew a parallel between what had happened to the Jews of Europe 45 years ago and what he perceived to be happening to Jews in Israel today. "Even today, when we grow in our land, evil-hearted people shoot poisoned arrows at our children as they wander the countryside, turning it into a valley of death," he said. He was alluding last week's confrontation between Israeli settlers and Arab villagers in the West Bank village of Beitza, when an Israeli girl and two Arabs were killed.

In Poland, 2,000 Jews marched through Auschwitz and Birkenau in an emotional start to commemorations of the Warsaw uprising.

The former Israeli President, Mr Yitzhak Navon, and many other participants went as a cantor intoned a prayer for the dead at Birkenau's granite monument to the victims of the two camps.

Several hundred people also gathered at a Moscow cemetery to mark the anniversary and in a rare report on the fate of Jews during the Second World War, Tass said 200,000 Jewish soldiers and officers had died "Soviet patriots until their dying breath".

In London, the actress, Ruth Rosen, read extracts from *Night*, an autobiographical novel by Eli Weisel, a survivor of two Nazi concentration camps.

A service of remembrance was conducted by the Chief Rabbi, Lord Jakobovits, before the gathering was addressed by Dr Lionel Kopelovitz, president of the Board of British Jews.



Ruth Rosen, an actress, reading excerpts from Eli Weisel's book on the Holocaust, *Night*, in Hyde Park, London, yesterday.

Danish Government threatened in defence crisis

Vote to ban Nato nuclear ships

From Our Correspondent, Copenhagen

Election fever swept Denmark yesterday, with the centre-right minority Government tottering on the brink of collapse, after an opposition-inspired vote in Parliament tightened up national policy on winning guarantees from visiting Nato warships that they are not carrying nuclear weapons.

Mr Poul Schluter, the Conservative Prime Minister, said after a two-hour emergency Cabinet meeting that the decision would force his administration to consider the consequences for the country's continued membership of the Western Alliance with its other members.

He told Parliament: "It is vitally important for the Government that Denmark's membership of Nato and its security should not be weakened. We must therefore put weight on the fact that our Nato reinforcement agreements can be carried out to the same degree as before and that

Denmark can go on participating in allied naval exercises and accept visits.

"The Government will now investigate the consequences to our allies of the resolution and consider its effect on our membership of Nato," he said, adding that the investigation would take 10 days.

At that time, he said, "the Government will draw its own conclusions" about its future. He said in a brief statement to the Chamber.

Mr Schluter said there was "good reason to fear" that the resolution could affect manoeuvres in which Nato ships practise the reinforcement of Denmark.

The resolution, tabled by the Social-Democratic Party and supported by the Socialist People's Party, the Radical Liberals and the small ultra-left-wing Common Cause, called on the Government formally to remind every Nato warship entering national wa-

ters of Denmark's policy — adopted in 1957 — which forbids nuclear weapons in the country's territory in peacetime. Yesterday's vote in the 179-seat Folketing (Parliament) went 75-58 in the opposition's favour.

The one-sentence resolution said: "Insofar as the Folketing considers that for the past 30

years it has been Danish policy not to accept nuclear weapons on Danish territory, including Danish ports, the Government is urged to notify visiting naval vessels thereof." Until now, the official line in Denmark has been that visiting Nato naval vessels are assumed to respect Danish policy.

Political analysts see the resolution as putting Denmark's policy in line with New Zealand's stance — which led to the United States breaking off defence co-operation with Wellington — as well as undermining Denmark's position in the Western Alliance.

The British and Americans already refuse, as a matter of policy, to say if their warships carry nuclear arms.

Denmark last held general elections in September, 1987, and rumours of premature May elections, if the Government were to find the new policy damaging to its

credibility and politically unacceptable, were rampant here last night.

The controversy comes at an embarrassing time for the Government. It is wrangling with the opposition about the defence budget, and under heavy criticism from Nato for not spending enough on defence. Nato defence ministers are due to meet in Denmark on April 27 to discuss the Alliance's nuclear strategy.

The Danish-controlled sea passages to the Baltic have long been regarded as crucial by military planners in both Eastern and Western Europe.

Yesterday marked the 23rd time that the four-party coalition, which commands only 70 seats, had suffered defeat on a defence or security policy vote since it took office five years ago.

The four-party coalition lost seven seats in the last regular election in September. The next scheduled vote is in 1991.



Mr Schluter: Urgent talks with the Allies to follow.

Algeria expands its role in shadowy negotiations

From Philip Jacobson, Algiers

No other country has accumulated as much experience and expertise as Algeria in the complex and often frustrating business of trying to talk a hijack to a peaceful conclusion.

The records show the Algerians have been involved in mediation efforts with hostage-takers since 1975, when they negotiated the release of 10 Opec oil ministers kidnapped in Vienna. Since then Algeria has played a key role in the peaceful conclusion of the 1977 Japanese Red Army hijacking, the release of 52 American hostages held in Tehran and the 1985 hijack of a TWA airliner to Beirut.

At the same time, Algerian diplomats are in growing demand for these more shadowy, behind-the-scenes negotiations with the world's ever-expanding cast of terrorist organizations.

The French Government used their services to help to clinch the deal that freed two hostages from captivity in Beirut last November. Algeria was also closely involved in the intensive efforts Paris has been

making in recent weeks to get the last three French hostages in Lebanon home. Well-placed sources in Algiers have indicated that this delicate operation was on the brink of succeeding when the Kuwait Airways hijack derailed it.

But why should the Algerians volunteer for a role that is so evidently fraught with difficulties and may eventually rebound upon the Government here? Why seek centre stage in a process in which the eventual release without punishment of cold-blooded murderers, like those now on board KU422, is more or less implicit?

"Moral credit," is how yesterday's edition of the government-controlled newspaper, *El Moudjahid*, explained it. "Algeria has once more assumed its traditional role of intermediary in the most testing and difficult circumstances." Dutifully echoing the current official line, the newspaper observed that only Algeria seemed to be acceptable to enemies who are otherwise at diplomatic daggers drawn. Take Iran, where this influence survived the fall of the Shah and is today

pivotal with the Khomeini regime. Take the Iran-Iraq war, where Algeria has been close to all the attempts to secure if not peace, at least a halt to the terrible slaughter. Algeria's respected Foreign Minister, Muhammad Seddik Benyahia, was killed in a plane crash on one of his many shuttle flights in this worthy cause.

The rhetoric may be overdone, but the point is valid enough. As

Rome (Reuter) — Two Africans who arrived in Rome on a flight from Lebanon with five home-made pistols hidden in a radio have been charged with weapons offences, Italian police said yesterday. The two, carrying Sierra Leone passports, had arrived in Rome on Wednesday.

Western diplomats here explain it, the Government derives understandable pride from the fact that its mediation services are so sought after, often from across the ideological barriers.

"They were delighted when the flight bringing the hostages from the United States Embassy in Tehran

touched down here in November, 1980, en route to Frankfurt. It was highly symbolic, reflecting the effort Algeria had put into assisting with the final settlement." Washington's subsequent acknowledgement of the Algerian contribution was seen here as a crucial advance in the country's "credibility" with the West.

As observers here see it, Algeria's emergence as a trusted and influential intermediary has been greatly aided by the self-confidence the nation draws upon as one of the very few Arab countries which fought and won a war of liberation, leading to its independence. The twist of fate that now brings the French to their door for expert assistance in dealing with kidnappers in Beirut is keenly appreciated in Algiers.

The revolutionary credentials of the successors of the FLN guerrilla leaders carry much prestige and moral authority with the rest of the Third World.

For obvious reasons, much less is heard here about the other side of the coin in Algeria's dealings with hijackers, hostage takers and the murderers of defenceless civilians.

Some notable terrorists have passed through Houari Boumedienne airport to eventual freedom. Carlos, alias the "Jackal", and five comrades surrendered to the authorities here after the sensational kidnapping of the Opec oil ministers. They were held briefly, then turned loose.

In 1985, after the 17-day ordeal of passengers on board the TWA plane hijacked at Beirut had finally ended on the tarmac in Algiers, the terrorists on board were permitted to fly back to the Lebanese capital. To nobody's great surprise, once there they promptly dropped out of sight.

Whatever the doubts now emerging about the supposedly "firm" agreement covering the fate of KU422 in Larnaca, there must be grave doubts that the killers on that plane will ever be brought to justice.

It is fair to point out that the Algerian authorities have more than once been accused of sponsoring their own brand of terrorism to get rid of troublesome political opponents. In Paris last year, a prominent exile was shot dead on a street by a gunman who French police are quite certain was sent from Algiers.



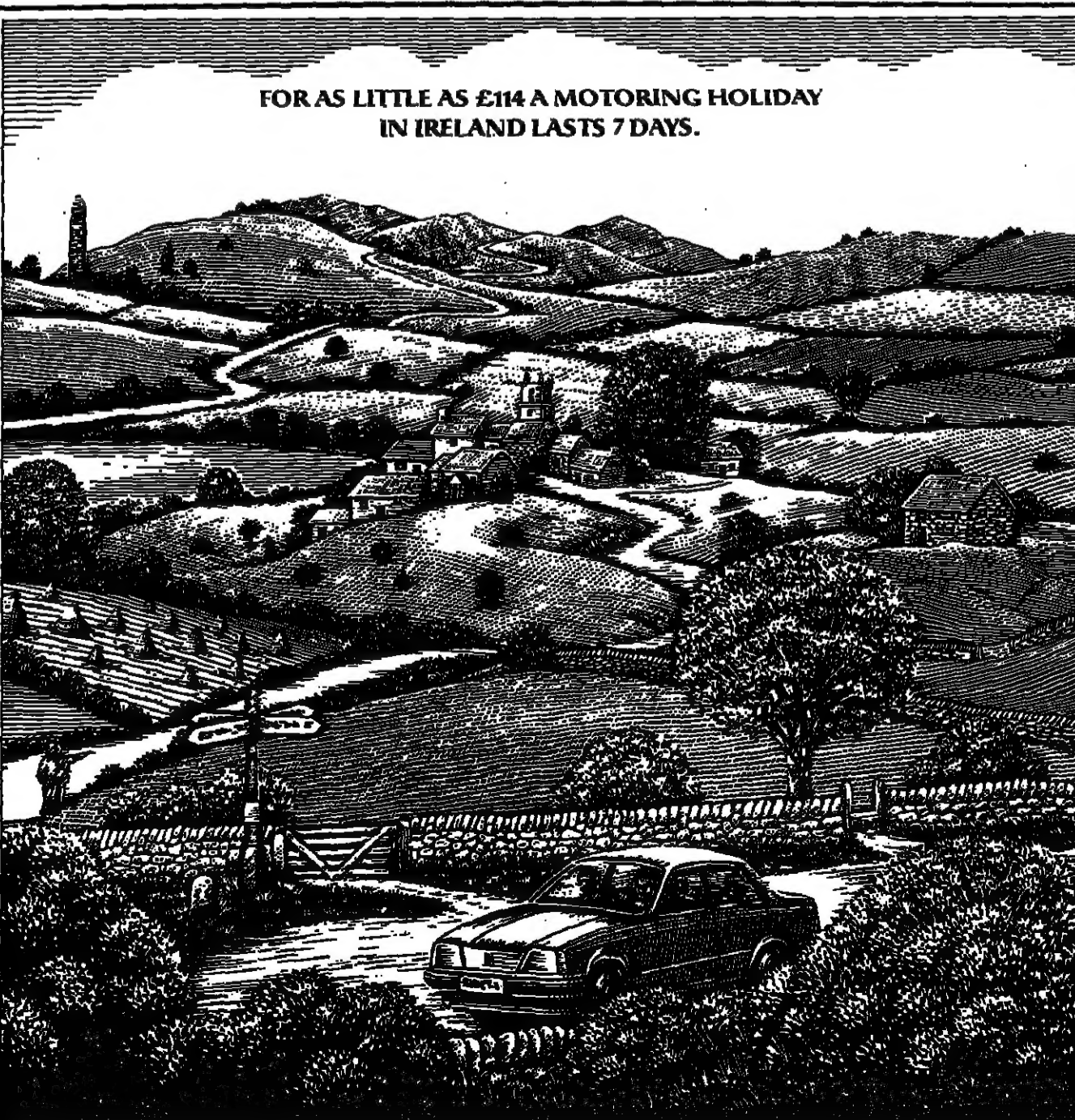
Washington — The cloud hanging over Mr Edwin Meese, the US Attorney General, darkened yesterday (Michael Binyon writes).

It was alleged that the Justice Department renewed an office lease at more than three times its old rent after the landlords agreed to pay Mrs Ursula Meese (above) a salary of \$40,000 (nearly \$22,000) a year. Two weeks later the owners sold the Washington building for a \$22.6 million profit. Mr Meese has denied he played a role in the affair.

private jet from the Caribbean to be fingerprinted like common felons at the Manhattan prosecutor's office to the glee of the tabloid press, which has cast the velvet-voiced Mrs Helmsley in the role of the city's least-loved woman.

In Manhattan's continuing morality play on the fall of the greedy, the fingerprinting of Mrs Helmsley was an event. While Mr Helmsley was an event, his wife was a warm and generous woman. Others noted that one of her most appealing attributes is her public display of affection for her elderly husband — her "gorgeous one, her pussycat, her snooky, woolly, dooky," as she calls him.

The couple and two former employees pleaded not guilty to the charges. The judge first



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Afghanistan deal: ● Pakistan voices its hopes and fears ● Nuts and bolts of the agreement

Zia foresees further Kabul turmoil Details of the Geneva accord

From Edward Gorman, Islamabad

President Zia of Pakistan was in a celebratory mood yesterday after the signing of the Geneva peace accords on Afghanistan. Hosting an informal briefing and lunch for journalists at the Presidential Palace here, he declared that the pact was a historic achievement both for the Afghan Mujahidin and for Pakistan.

But in a remarkably frank discussion of the future prospects for the Afghans, he said

Islamabad (AFP) — Four Soviet advisers were killed yesterday, along with an unspecified number of other people, in a car bomb blast in Kabul, rebel sources said.

The bomb had been planted in a Soviet-made vehicle parked near the Walid and Fawaz shopping arcades in the Shahr-e Nau area of the Afghan capital, the sources said. The device exploded before noon when the market was crowded and resulted in a fire in which several shops were gutted.

that he foresaw "turmoil" inside Afghanistan and conceded that, as far as the Mujahidin were concerned, the Geneva accords fell short of their principal objective — the removal of President Najibullah's regime.

But President Zia was confident that this would follow quickly after a Soviet pull-out. It would be "a little difficult" for Kabul to survive without the Russians, he said. "President Najibullah will stick it

out, but eventually his head will roll and the next man will be from the Mujahidin."

President Zia was effusive in his praise for the Afghan rebels. He described their efforts over the past eight years as a "super-human sacrifice". Pakistan was prepared to stand by them at whatever price over the coming years, he said, acknowledging that there was still a long way to go before their objectives were achieved.

He had praise for the superpowers for coming to terms with what he described as the "hard facts of life" over Afghanistan. In particular, he singled out Mr Mikhail Gorbachev's initiative earlier this year announcing that Soviet troops would leave Afghanistan provided agreement was reached at Geneva.

"I openly confess," he said, "that I was one of those who said it was impossible. How could the Soviet Union leave such an advantageous position from a strategic point of view? They have not left anywhere previously except Iran and Austria — two minor cases."

He added that he was prepared to trust the Russians — to take Mr Gorbachev at his word, as he put it — and had no doubts that they would honour the Geneva agreement and leave Afghanistan.

As for Pakistan, the President said he was satisfied that its three principal objectives — the withdrawal of Soviet troops and the establishment of conditions inside Afghani-



Mr Edward Shevardnadze, left, and Mr George Shultz signing the Afghan settlement as guarantors in Geneva yesterday.

stan conducive for the return of refugees and allowing the Afghans to choose their own government — had been achieved. But he did acknowledge that, as far as the second two objectives were concerned, Geneva served them more in spirit than in fact.

He agreed, for example, that Pakistan's insistence on the establishment of an interim government during a withdrawal had not succeeded.

"Unfortunately we wouldn't bring it to a logical conclusion," he said. It was for this reason, among others, that he predicted further turmoil in Afghanistan. "Unless you have a government in Afghanistan which rules and commands ... and that government has the confidence of all the various factions, you can't have peace in Afghanistan. The Mujahidin will not stop their

fight until the bitter end," he added. "This is why there will be turmoil. If we had achieved the interim government, this could have been avoided."

It is believed, however, that the Russians have given President Zia concrete guarantees that they will actively support efforts by Pakistan to establish an interim or coalition government in the coming months, even if the standing of the present Kabul Govern-

ment is adversely affected in the process.

● **Afghan arms:** For the first time since the disaster at the Ojri ammunition dump on the outskirts of Islamabad on Sunday, President Zia yesterday indicated that some arms stored at the camp were destined for the Mujahidin. He also said that the explosion, which killed more than 100 people, was set off deliberately.

Excerpts from yesterday's agreements:

Bilateral agreement between Afghanistan and Pakistan on principles of mutual relations, in particular on non-interference and non-intervention.

The Republic of Afghanistan and the Islamic Republic of Pakistan ... desiring to normalize relations and promote good-neighbourliness and co-operation as well as to strengthen international peace and security in the region ... have agreed as follows:

ARTICLE I
Relations between the ... parties shall be conducted in strict compliance with the principle of non-interference and non-intervention by States in the affairs of other States.

ARTICLE II
For (this) purpose ... each party undertakes to comply with the following obligations:
1. To respect the sovereignty, political independence, territorial integrity, national unity, security and non-alignment of the other party, as well as the national identity and cultural heritage of its people.

2. To respect the sovereign and inalienable right of the other party freely to determine its own political, economic, cultural and social systems, to develop its international relations and to exercise permanent sovereignty over its natural resources, in accordance with the will of its people, and without outside intervention, interference, subversion, coercion or threat in any form whatsoever.

3. To refrain from the threat or use of force in any form whatsoever so as not to violate the boundaries of each other, to disrupt the political, social or economic order of the other party, to overthrow or change the political system of the other party or its Government, or to cause tension between the parties.

4. To ensure that its territory is not used in any manner which would violate the sovereignty, political independence, territorial integrity and national unity or disrupt the political, economic and social stability of the other party.

5. To refrain from armed intervention, subversion, military occupation or any other form of intervention and interference, overt or covert, directed at the other party, or any act of military, political or economic interference in the internal affairs of the other party, including acts of reprisal involving the use of force.

6. To refrain from any action ... to destabilize or to undermine the stability of the other party or any of its institutions.

7. To refrain from the promotion, encouragement or support, direct or indirect, of rebellious or secessionist activities against the other party, under any pretext whatsoever, or from any other action which seeks to disrupt the unity or to undermine or subvert the political order of the other party.

8. To prevent within its territory the training, equipping, financing and recruitment of mercenaries from whatever origin for the purpose of hostile activities against the other party, or the sending of such mercenaries into the territory of the other party and accordingly deny facilities, including financing for the training, equipping and transit of such mercenaries.

9. To refrain from making any agreements or arrangements with other States designed to intervene or interfere in the internal and external affairs of the other party.

10. To abstain from any defamatory campaign, vilification or hostile propaganda for the purpose of intervening or interfering in the internal affairs of the other party.

11. To prevent any assistance to or use of or tolerance of terrorist groups, saboteurs, or subversive agents against the other party.

12. To prevent within its territory the presence, harbouring, in camps and bases or otherwise, organizing, training, financing, equipping and arming of individuals and political, ethnic and any other groups for the purpose of creating subversion, disorder or unrest in the territory of the other party and accordingly also to prevent the use of mass media and the transportation of arms, ammunition and equipment by such individuals and groups.

13. Not to resort to or allow any other action that could be considered as interference and intervention.

ARTICLE III
The present agreement shall enter into force on May 15, 1988.

Declaration on international guarantees:

The Governments of the Union of Soviet Socialist Republics and of the United States ... undertake to invariably refrain from any form of interference and intervention in the internal affairs of the Republic of Afghanistan and the Islamic Republic of Pakistan ...

Bilateral agreement between Afghanistan and Pakistan on voluntary return of refugees

ARTICLE I
All Afghan refugees temporarily present in ... Pakistan shall be given the opportunity to return voluntarily to their homeland in accordance with the arrangements and conditions set out in the present Agreement.

ARTICLE II
The Government of ... Afghanistan shall take all necessary measures to ensure the following conditions for the voluntary return of refugees:
a. All refugees shall be allowed to return in freedom to their homeland ...
e. All returnees shall enjoy the same rights and privileges, including freedom of religion, and have the same obligations and responsibilities as any other citizens ... without discrimination.

ARTICLE III
... Pakistan shall facilitate the voluntary, orderly and peaceful repatriation of all Afghan refugees staying within its territory ...

ARTICLE IV
For the purpose of organizing, co-ordinating and supervising the operations which should effect the repatriation of Afghan refugees, there shall be set up mixed commissions in accordance with the established international practice ...

ARTICLE V
... The commissions shall determine frontier crossing points and establish necessary transit centres ...

ARTICLE VI
At the request of the Governments concerned, the United Nations High Commissioner for Refugees will co-operate and provide assistance in the process of voluntary repatriation of refugees ...

ARTICLE VII
The arrangements set out in Articles IV and V shall remain in effect for a period of 18 months. After that period the parties shall review the results of the repatriation ...

Agreement on inter-relationships for settlement of situation relating to Afghanistan

5. ... (The four parts of the accord) will enter into force on 15 May, 1988. In accordance with the timeframe agreed upon between the Union of Soviet Socialist Republics and the Republic of Afghanistan there will be a phased withdrawal of the foreign troops which will start on the date of entry into force mentioned above. One half of the troops will be withdrawn by 15 August, 1988 and the withdrawal of all troops will be completed within nine months.

6. ... The inter-relationships in paragraph 5 above have been agreed upon in order to achieve effectively the purpose of the political settlement ... It is ... essential that all the obligations deriving from the instruments concluded as component parts of the settlement be strictly fulfilled and that all the steps required to ensure full compliance ... be completed in good faith.

7. To consider alleged violations ... representatives of Afghanistan and Pakistan shall meet whenever required. A representative of the Secretary-General of the United Nations shall lend his good offices to the Parties ...

Memorandum of Understanding

III. Modus operandi and personal organization

The Secretary-General will appoint a senior military officer as Deputy to the Representative, who will be stationed in the area, as head of two small headquarters units, one in Kabul and the other in Islamabad, each comprising five military officers, drawn from existing United Nations operations, and a small civilian auxiliary staff ...

The two headquarters units will be organized into two Inspection Teams to ascertain on the ground any violation of the instruments comprising the settlement. Whenever considered necessary ... up to 40 additional military officers (some 10 additional Inspection Teams) will be re-deployed from existing operations within the shortest possible time ...

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Religious crusade to soften Reagan's regional policy as Panama resists the latest pressure

Churches challenge White House over Central America

Noriega scoffs at 'frightened' US Marines

From Christopher Thomas, Washington

America's mainstream churches have united in fierce opposition to US policy in Central America, for once eclipsing the politically powerful religious right and clearly influencing the tide of opinion in Congress.

The unity and commitment of the churches is reminiscent of their campaign for American withdrawal from Vietnam in the latter stages of that war. While the Reagan Administration continues to argue about the military prospects of victory, the churches have succeeded in focussing attention on whether the policy itself is morally justified.

A newsletter circulating on Capitol Hill, entitled *Impact '88*, and sponsored by 17 Protestant, Catholic and Jewish groups, states: "For Americans, the number one moral problem of this decade is public policy in Central America." The issue has brought together Episcopalians, Catholics, Lutherans, Quakers, American Baptists, Presbyterians, the Church of the Brethren, Unitarians, the United Church of Christ, mainstream Jews, and United Methodists.

The churches base their arguments on the experience of years of missionary work in Central America. Many of them have committed substantial resources to the region, both in money and manpower, and have clearly concluded that superpower involvement in the impoverished countries is wrong.

The Catholic Relief Service has been giving more than \$3.5 million (£1.9 million) a year in food and development assistance; the Church World Service, an arm of the Protestant National Council of Churches, has given more than \$1 million during the past two years.

The first hint of church opposition came during the Carter Administration, after he proposed giving \$5 million to the right-wing Government of El Salvador. It has taken until now, however, for the

Miami - General Manuel Noriega of Panama is attempting to challenge drug trafficking charges in the United States without appearing in court (Alan Tomlinson reports). His lawyer is seeking special permission to oppose the indictment, something lawyers cannot usually do until their clients are present.

issue to galvanize the grassroots membership and to bring about a co-ordinated effort to disengage the US from political involvement in the region.

The religious right, which supports the Reagan Administration, has been focusing on other issues and generally has not concentrated on Central America. That has given the mainstream churches an opportunity to try to influence opinion on Capitol Hill without having to compete with the substantial resources of

right-wing religious groups.

Congressional aides say they could not recall the mainstream churches being more active on any issue. Some suggested that their lobbying efforts had acted as a brake on President Reagan and perhaps prevented him from proposing a direct American military effort to bring down the left-wing Government of Nicaragua.

The influence of the mainstream churches is probably greater on the Central American issue than any other, because they speak with such long first hand experience of the area.

They argue that American policy is doing nothing to promote human rights or end poverty. They say that communist infiltration and political instability should be addressed by the countries themselves.

Meanwhile, the Sandinista Government has blocked an airlift of newspapers for the opposition newspaper *La Prensa* and medicines for the Catholic Church.

The deliveries were arranged by a private American group, *Americas*, after it learnt that the newspaper had run out of newspaper and been forced to suspend publication. Sandinista officials claim the organization is a CIA front.

Vice-president George Bush had personally given support to the airlift. Americans said it had intended to deliver 15 tonnes of newspaper.

From Alan Tomlinson, Miami

Panama's military strongman, General Manuel Noriega, this week scoffed at the US Marine reinforcements sent to Panama as part of the American campaign to chase him from power.

US troops were "nervous, scared, unprofessional and frightened by Panamanian palm trees", the general scoffed, following two incidents at a fuel depot near Howard air base - one of 10 American military complexes in the US-controlled Canal Zone.

On Monday night, a US Marine corporal was shot dead by members of his own patrol as they nervously investigated a reported intrusion at a perimeter fence. The following night, 100 Marines fired blindly into the darkness for two hours after reportedly being shot at by more intruders at the same depot.

General Noriega later dismissed suggestions by a Pentagon official that the alleged intruders may have been members of his own Panama Defence Force, saying: "We don't need permission from a great power to move on our own territory."

This week's incidents, while underscoring the deep tensions in Panama, also highlighted the ineffectiveness of US efforts to oust the general. After two frustrating months, the American strategy has begun to look lame and confused, according to diplomats and opposition politicians in Panama City.

They fear that, if mounting economic pressure fails to break General Noriega's grip on power, Washington may use force rather than face the ignominy of defeat in an area of such strong US influence.

The Reagan Administration



Police seizing a human rights worker in Panama City as he observed a protest by the jobless.

appears to be hoping that it can prod the Panamanian forces into staging a successful coup, although there is no visible evidence that any dissident group of officers exists with either the will or the ingenuity to outmanoeuvre the general.

As attempted coup last month was the first sign of a crack in Panama's monolithic military structure, but by all accounts it was a bungled affair. Sources here say that it failed indignantly and since then the general is said to have carried out an efficient and far-reaching reorganization of his officer corps, handing out numerous promotions, although, as one Western ambassador noted, "he cannot obviously be sure they are all his people".

Nevertheless, the Reagan Administration this month de-

played 1,300 more US troops in the Canal Zone, in what has been interpreted locally as a message to the Panamanian Army that political options are running out.

Some political observers identify the source of US tactical problems in Panama as Washington's support for the former President, Senior Eric Delvalle, who tried to dismiss General Noriega in February.

Washington apparently hoped that Senior Delvalle's actions, and his own subsequent removal by General Noriega, would lead to a repeat of what happened in the Philippines with massive street protests and a military rebellion.

But Senior Delvalle was himself a Noriega appointee, and as such could not inspire broad support. The plan collapsed with Senior Delvalle's decision to go into hiding.

Western diplomats here suspect that Washington was guilty of having seriously underestimated General Noriega's resilience.

Senior Delvalle has let it be known that he is growing impatient with the cautious US moves, and apparently threatened at one stage last week to leave the country unless a stronger commitment to the general's removal was made apparent. His leaving Panama could add to Washington's troubles. The US has justified its actions by its recognition of Senior Delvalle as the legitimate head of government.

The President-in-hiding is understood to have been pressing for military intervention. Although the Panamanian opposition is officially against the use of force, several active members of the Civic Crusade say privately that they would favour it as a means of bringing a speedy end to what has become an unexpectedly protracted crisis.

Letter from Cracow

Rats turn tail as pollution bites

In the crumbling old town of Cracow, the rats are literally deserting the sinking ship. To the consternation of the city's authorities, who fight a daily battle to preserve the architectural jewel of Poland against the ravages of pollution, the city's vermin have taken to their heels. For the past month, not a single rat has been sighted in the city.

Of course, as one official at the Ministry of Environmental Protection pointed out this week, "it may be the result of an unprecedented success in containing vermin by the Cracow rat-catchers". But the environmental experts of the Polish Ecological Club are pessimistic.

A short rickety tram ride away from Cracow lies the steelworks complex called Nowa Huta. According to environmentalists in Cracow, Nowa Huta alone produces more than 170 tonnes of lead, seven tonnes of cadmium, 470 tonnes of zinc and 18 tonnes of iron a year - all in the form of dust in the Cracow area. Heavy concentrations of sulphur dioxide eat away at medieval facades, century-old parks and, it would now seem, at the age-old habits of rats.

Cracow, which Unesco has offered \$75 million (£40 million) for restoration, is but one example of the environmental problems which have made parts of Poland an ecological disaster area in recent years.

In Silesia, the region of the country to the west of Cracow, pollution has reached such a point that official medical experts concede that the incidence of cancer and circulatory diseases is higher than anywhere in the world. Over 60 per cent of the population suffer from toxic pollution.

These disturbing statistics, coupled with the Chernobyl explosion which caused conditions in Poland to deteriorate, have encouraged Poles to press their Government for change. The Ministry of Environmental Protection's latest report is at present being

considered by the Sejm (Parliament). In it, the Government proudly announces that 4.6 per cent of the national investment budget last year was spent on environmental measures.

Moreover, after a period of imposing modest fines on factories unable or unwilling to introduce filters to control industrial waste, the Government is determined to increase fines. The new fines, unlike the old ones, will not be open to negotiation. "My dream is that one day, I shall read in the paper that a factory has gone bankrupt through paying fines," said Mr Wladyslaw Kulczynski, Deputy Minister of Environmental Protection.

He was defensive about Poland's environmental record, believing that the country is in the vanguard of environmental protection in the Eastern Bloc. A recent pact between Poland, Czechoslovakia and East Germany, expected to be signed later this year, is an example of this.

Certainly the Poles, who must endure westerly winds, also pay for the incapacity of Western neighbours to control pollution. In the area covered by the agreement, several entire forests, extending for more than 60,000 acres, have been destroyed.

Mr Kulczynski said: "We want written obligations put into this agreement, but this proposal... is seen by the Czechs as interference in internal affairs." However sceptical members of the opposition may be at the Government's belated efforts to reduce crippling pollution, most Poles are convinced that action by Poland alone is only a partial solution.

Until the East European countries perceive their environmental problems as an urgent priority, the ecological disaster zone, which is part of Poland, will widen and Cracow will remain without rats.

Richard Bassett

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Famine feared as Ethiopia prepares to crush rebels

From Andrew Buckoke, Nairobi

With most foreign relief agency staff back in Addis Ababa yesterday from the drought and war-stricken north of Ethiopia, news of what is happening there is becoming increasingly unreliable. But, in the words of one recent visitor, "the place is falling apart".

Two things are clear: a massive counter-offensive by the Soviet-supported government forces will be launched soon — without any foreigners to observe it — to regain extensive territory lost to the secessionist rebels in northern provinces of Eritrea and Tigré in recent months; secondly, the three million people threatened by famine in the area will begin to starve unless food distribution is resumed.

Heavy fighting has halted most agencies' operations two weeks before the Ethiopian Government ordered the foreign aid workers to leave the north last week.

But without them there to help to guarantee the neutrality of food convoys it is unlikely they can be resumed. In the absence of independent observers it is now difficult to verify either sides' claims, such as that of the Tigréan Peoples Liberation Front that the Government used napalm in a raid earlier this week that killed 31 people

at Wukro, until its recent capture an important food distribution point. A government spokesman has said the foreign relief workers will not be allowed back until the rebels have been crushed. The effort is expected to be ruthless.

The UN World Food Programme, the International

Addis Ababa (AP) — Ethiopia yesterday accused Western aid agencies of running covert operations under the mantle of humanitarian aid and singled out the International Committee of the Red Cross for criticism. Citing "personal security risks", Ethiopia expelled on April 6 all foreign aid workers from the drought-stricken provinces of Eritrea and Tigré. Mr Martti Ahtisaari, a United Nations Under Secretary-General, arrived in Addis Ababa on Wednesday to discuss the expulsions with officials.

Committee of the Red Cross and other agencies are now refusing to allow their lorries to be used.

Recent rebel promises not to repeat attacks on such convoys if they are clearly marked with agency flags and unescorted are unlikely to be fulfilled if aid operations in the north are taken over by the Government's Relief and

Rehabilitation Commission and the Ethiopian Red Cross, as the Government has suggested. At the same time, only two of the 10 aircraft operating a 12,000 tonne a month airlift into Tigré, where insecurity had made road transport virtually impossible, are still flying regularly. The others have been withdrawn or fly only irregularly for safety or servicing reasons.

Twelve thousand tonnes was about half the province's needs and even near daily flights of the two UN sponsored Hercules cannot match it. Although more aircraft, including some Soviet Antonovs now apparently devoted to military cargo, may join the airlift, sceptics ask to what purpose if the food can be flown only to the provincial capitals of Asmara and Mekelle.

Unlike the Eritrean Peoples Liberation Front, the Tigréan Peoples Liberation Front has been unable to bring from Sudan sufficient supplies for the areas they control, so had relied on people collecting food from distribution centres supplied by the airlift.

Relief agencies predict disaster if, or rather when, the people start moving in large numbers towards the main towns when their meagre reserves run out. When this

happened in the last great famine devastating epidemics broke out as the population concentrated at the main feeding centres.

This time the people may be trying to move through front lines, and some agency workers say it is to avoid them seeing the results that relief staff have been ordered out. The Red Cross and other agencies asked to be allowed to remain.

Though most agencies flew their people out over the weekend, the Red Cross decided to keep its team in place until formally expelled. The relief agencies depend on expatriate personnel to monitor the expenditure of donors' money, as required by their charters.

They cannot just hand over their operations, even if they wanted to. The agencies fear the military may be tempted to take over relief lorries and other equipment, but there are no reports that this has happened. There is apparently so little fuel in the area that there may be little temptation.

The Red Cross is still hoping that a few of its personnel will be allowed back to supervise continued relief efforts by the Ethiopian Red Cross using its vehicles and supplies. Agency workers hope to be able to return.

Grand Master meets envoys



The new Grand Master of the Knights of Malta, Fra Andrew Willoughby Ninian Bertie, leaving a Rome Mass yesterday to meet envoys from 40 nations that recognize the order.

Manila on alert while Aquino is in China

Peking (Reuter) — President Aquino of the Philippines, leaving her troops in Manila on full alert, arrived in Peking after visiting Hong Kong village, near the port of Xiamen in south-east China, from where her great-grandfather left for the islands in 1861.

Her three-day state visit to China, followed by a day in Hong Kong, is her first absence from the Philippines in 18 months. A telephone hotline has been installed in Peking to keep the President and her staff in touch with events in Manila, amid fears that a coup might be attempted in her absence.

She said before leaving the Philippines that her trip would show that her country had achieved internal stability.

Riot curfew

Lagos (AP) — A dusk-to-dawn curfew was imposed in the northern Nigerian city of Jos after six people, including two police officers, were killed and government buildings were burnt in rioting against petrol price rises, state radio said.

Troops killed

Colombo — Seven Sri Lankan soldiers died when Tamil Tiger guerrillas attacked a remote army camp near the island's north-west coast.

Libyans jailed

Ankara (Reuter) — Two Libyans were imprisoned by Turkey's State Security Court for eight years and four months each for a 1986 plot to attack a US military club.

Dam protest

Karachi — Twenty thousand people marched through the streets to protest against plans to build a dam across the River Indus.

Shock block

Paris (AFP) — A proposal by Parisian taxi drivers to discourage would-be attackers by installing electric seats fizzled when police forbade use of the Israeli invention.

Pillars of apartheid may defeat Namibia experiment in democracy

From Michael Hornsby Windhoek

A three-year experiment in self-government for Namibia verges on collapse because Pretoria, fearful of domestic right-wing reaction, refuses to abolish legal protection for the South African-occupied territory's white minority.

What little credibility the local Windhoek administration still had was all but destroyed on April 8 when President Botha visited the capital and announced that he planned to strengthen the powers of the South African Administrator-General, Mr Louis Pienaar.

Mr Botha announced that Mr Pienaar would be empowered to veto any move to repeal Proclamation AG 8, a key piece of apartheid legislation that entrenches white social and economic privilege. Its removal is the only hope the Government in Windhoek has of gaining real popular support.

The territory's cabinet met for two days earlier this week to decide whether to resign or to continue its efforts to achieve full self-government for Namibia (barring defence and foreign affairs). It resolved to stay on for the time being and to seek further negotiations with Mr

Botha over the constitutional future of the country.

But Mr Botha's plan to increase Mr Pienaar's powers has put a severe strain on the already shaky cohesion of the Transitional Government of National Unity, as the Windhoek administration is called, which strives to speak for all six parties.

Mr Moses Katjuangwa, the present holder of the rotating cabinet chairmanship, said that if the granting of new powers to Mr Pienaar went ahead, he would resign. "We have fought hard to scrap apartheid, and just when we

are on the verge of a breakthrough, new obstacles are thrown in our way," he said.

The transitional Government is an improbable-looking coalition, bringing together the whites-only National Party, the Namibian namesake of Mr Botha's own ruling party in South Africa, four parties speaking mainly or exclusively for distinct black and mixed-race ethnic groups, and the multi-ethnic Democratic Turnhalle Alliance (DTA) led by a white cattle farmer, Mr Dirk Mudge.

Namibia is indispensable as a base for South African military

operations in Angola in support of the Unita rebels of Dr Jonas Savimbi. Pretoria is unlikely ever to grant the territory independence until the conflict in Angola has been resolved to its satisfaction.

In the meantime, Pretoria would like to establish a local government in Windhoek with genuine popular support and thus undermine the claim of the South West African People's Organization (Swapo) guerrilla movement to be the "sole authentic representative" of the Namibian people.

Last June, four of the six parties in the transitional Government,

including Mr Mudge's party, which has a significant, though minority, following among whites, agreed on a draft constitution for Namibia that would abolish all remnants of apartheid and introduce full black majority rule. Pretoria's opposition has stopped its implementation.

But fear that right-wingers at home would capitalize on such a "sell-out" of white interests outweighed all other arguments in favour of such a step. Mr Botha's aim now appears to be to use the threat of extra powers for Mr Pienaar to get the majority faction in the transitional Government to modify its constitutional proposals.

US air safety inquiry

Check on 267 Eastern jets

From Charles Bremner, New York

Safety inspectors yesterday started recalling all 267 aircraft of Eastern Airlines after the Government charged it with a string of safety failures and launched an investigation into its troubled parent company, Texas Air, the West's biggest air carrier.

The inspections were ordered by Mr Allan McArtor, the Federal Aviation Administrator, who recited a series of incidents which "appear to be recurring trends of non-compliance" with safety regulations. He imposed a further \$823,000 (£447,000) fine on the Miami-based airline, which last year paid a record \$9.5 million for safety violations.

According to the Federal Aviation Administration,

Eastern made 511 flights with a Boeing 747 which was not airworthy and 160 with an A300 Airbus which had an eight-inch crack in an access door on its tail.

The safety record of Eastern has been attacked publicly by the airline's own staff and crews in the past two years. Eastern's problems are echoed throughout much of Texas Air which was built up by its tycoon owner, Mr Frank Lorenzo, over the past seven years into a financially-tottering empire that has 20 per cent of the US airline business.

The Transport Department said it was launching its investigation into Texas Air — the biggest airline inquiry in recent years — to determine its financial stability and whether

its management "is disposed to comply" with safety rules. As well as Eastern, the conglomerate owns Continental Airlines and a number of regional companies.

No Eastern flights have been involved in serious accidents in recent months, but a Continental jet crashed late last year, killing 26 people. However, both airlines have a poor reputation for service.

Texas Air blamed the unions for the government action and Eastern yesterday took out full-page advertisements to counter the bad publicity. Mr McArtor said that current Eastern flights were safe, but the Government wanted to ensure the "margin of safe flight for tomorrow's ticket-holder".

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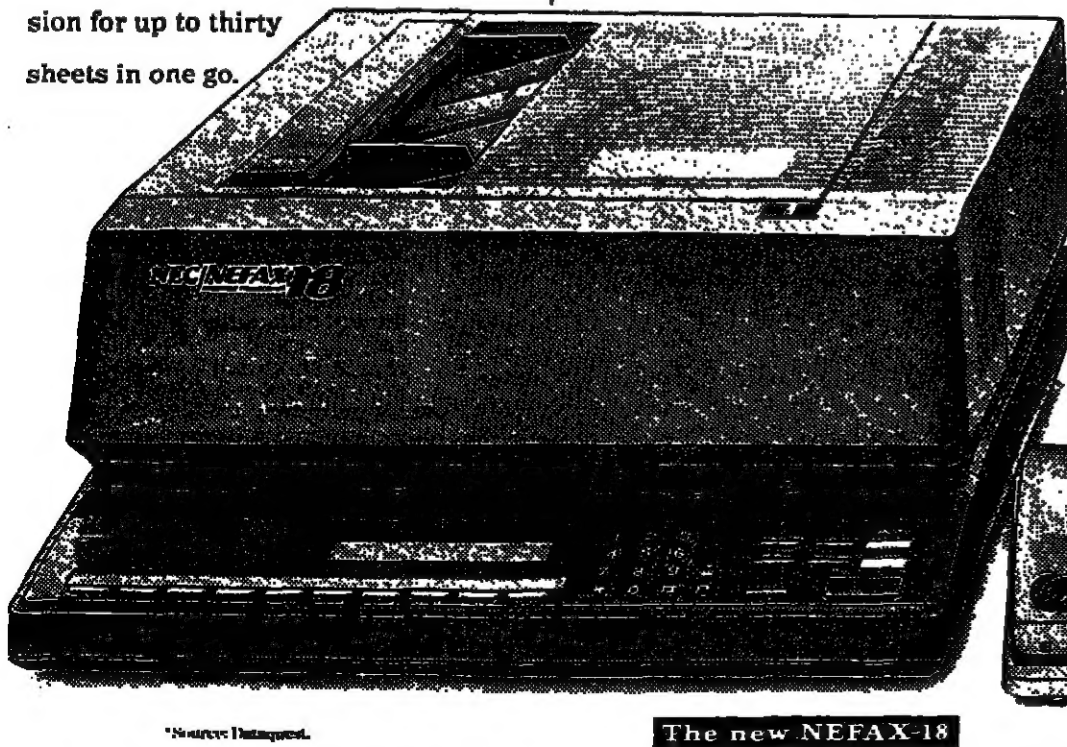
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IT GET IT

Labour insists on linking benefit and tax cuts

A person who was earning £100,000 a year would be £268 a week better off as a result of the Budget, while social security benefit changes meant that a single, unemployed person received less than a tenth of that amount, Mr Nicholas Brown, an Opposition Treasury spokesman, said at question time.

The Opposition would refuse to separate consideration of the tax cuts in the Budget from the benefit cuts in the social security changes. Anyone with a basic sense of fairness could see that it was the function of government to eradicate social injustice, not seek to create it.

Mr John Major, Chief Secretary to the Treasury, said that the Government spent a third of its income on social security to eradicate social injustice. As a result of the Budget, 280,000 people who would otherwise have paid tax, did not pay it.

Mr Robert Wareing (Liverpool, West Derby, Lab) asked why an unemployed young person under 25 had his social security reduced to £26.05 a week when one of the millionaires friends of the Government, who was receiving £1 million a year, had been given £3,729 a week by the Budget.

Was that not a disgrace? Was the minister not afraid that his rich friends might become part of the dependency culture that Mr John Moore, the Secretary of State for Health and Social Security, was so afraid of?

Mr Major said that more than 500,000 people under 25 had gained in cash terms from the social security changes. The Budget did several things for the unemployed. It improved their chances of getting a job when they got jobs it raised the threshold at which they paid tax and reduced the basic rate at which they paid it.

● In 1978-79 the higher rates of

TREASURY

tax had produced 19 per cent of tax revenue; this year the higher rates had produced 30 per cent, demonstrating that it was possible to raise rates and increase revenue. Mr Norman Lamont, Financial Secretary of the Treasury, said during Commons question time.

Mr Samuel Galbraith (Strathkelvin and Bearsden,

Progressive tax 'ended'

Mr Robert Sheldon (Ashford-under-Lyne, Lab), chairman of the Public Accounts Committee and a former Treasury minister, complained that Budget changes meant that they were coming to the end of progressive taxation which had been embraced by every administration this century up to the present one.

He pointed out that most people would be paying tax at 25 per cent and national insurance at 9 per cent, a total of 34 per cent, whereas the highest rate taxpayers would be paying 40 per cent, so the difference between the bottom and the top was only 6 per cent.

Mr Norman Lamont, Financial Secretary to the Treasury, said that it was wrong to say that the system was not progressive. A person on five times average earnings paid ten times the amount of taxation of a person on average earnings.

Lab) said that it would have been better if the money had been given to the pensioners. When was the Government going to stop taking from the poor and giving to the rich?

Mr Lamont said that this was not the time at which pension increases were announced; that would come in the Autumn Statement.

The contribution the cuts in tax rates had made was that they allowed continued economic

growth, which had enabled the Government to increase total spending on pensions and social security by considerable amounts.

Dr Gordon Brown, an Opposition spokesman on Treasury affairs, said that as a result of the Finance Bill 2800 million would go in tax handouts to the very small minority earning in excess of £100,000 a year.

Exactly the same amount would have meant that not a single pensioner need have suffered a cut in housing benefit, nor a single family need have suffered from child benefit being frozen and no one would have felt compelled to beg from the state-charity Social Fund.

"In all sections of the community there is deep revulsion against the two-nation Toryism that the Chancellor now represents and who has produced the most unjust and most unfair, socially divisive Finance Bill we have seen this century."

Mr Lamont said that there was nothing "two nation" about 70 per cent of all the cuts in the Budget going on the basic rates of tax and in increasing personal allowances. Neither was there anything "two nation" about 23 million benefiting from basic rate cuts.

Mr John Marshall (Hendon South, C) said that the reduction in the higher rate of taxation would encourage the internationally mobile. (Opposition laughter) — either to stay in the United Kingdom or to come back to this country. People such as surgeons, industrialists and leaders in other fields, could only benefit the whole of the nation.

Mr Lamont said that that was why cutting the higher rates actually increased revenue. The country needed inward investment and the managers that that produced. That was one of the reasons why cuts in the higher rates of tax benefited the whole nation.

In a later question, Mr Robert McCrindle (Brentwood and Ongar, C) said that a consid-



Mr Alan Beith (left), who expressed concerns about exchange rates, and Mr John Major, Chief Secretary to the Treasury, who spoke of the Government's efforts to eradicate social injustice

erable proportion of the increase in disposable income derived from the Budget tax cuts was likely to be spent on imported goods.

Would the Government pay attention to the possible effect of that on the balance of payments?

He also asked for an assurance that the Treasury would pay attention to the control of credit because it seemed to be getting out of hand.

Mr Peter Lilley, Economic Secretary to the Treasury, said that the current account deficit was predicted to be remain below 1 per cent of national income in 1988.

The Government expected consumer spending to grow less rapidly in the coming year than it had last year, by about 4 per cent, and that investment would grow by 9 per cent a year, strengthening investment-led

growth in the coming year. The Government kept an eye on credit and believed it to be perfectly controllable at the moment.

Mr John Smith, chief Opposition spokesman on Treasury and economic affairs, said that current account figures so far this year had been very bad and the deficit had grown steadily worse.

What, clearly and precisely, was the Government's strategy to reduce that deficit in the balance of payments?

Mr Lilley said that it was too early to come to any conclusion on the basis of the figures for the first two months of the year when there might well have been exceptional factors.

The Government never made changes in forecasts on the basis of one or two months.

It believed that the sort of deficit forecast was easily

containable. The deficit was much smaller than that which the previous Labour Administration had been content to tolerate.

Concern at the prospects for continued economic growth was voiced by MPs at question time despite being told by Mr Lilley that the outlook was very favourable.

He said that the six years to 1987 saw an average economic growth of 3 per cent a year, the longest period of steady growth at around that rate for half a century.

It marked a great contrast with the 1960s and 1970s when this country was at the bottom of the international growth league.

Mr Alan Beith, SLD Treasury spokesman, asked what was going to happen to growth if exchange rates were at a high and uncompetitive level.

Was he going to heed the warnings of the CBI and others? Mr Lilley replied that the outlook for growth was very favourable.

"We remain one of the more rapidly growing countries in the Western world."

Mr Anthony Beaumont-Dark (Birmingham, Selby Oak, C) International growth in this country is going on very well and was fed very much with the pound a lot lower than it is.

The Chancellor says that we are going to have a stable pound. Without a stable and lower pound, we are not going to keep economic growth.

Mr Lilley replied that economic growth had been improved and the economy transformed within a framework that had kept monetary policy bearing down on inflation and had ensured that exchange rates were reasonably stable.

Defence for film cash policy

The Government's policy towards the film industry was aimed at encouraging it to function competitively in an open and international market, Lord Young of Graffham, Secretary of State for Trade and Industry, said during question time.

He said that British Screen Finance Ltd, which receives government funds, has supported 40 feature and short films in its two years. In addition, 29 projects have received public money under the National Film Development Fund.

He told peers who asked for more government help for British film makers that the greatest incentive had been the recent tax cuts. He congratulated the success of nine Oscars awarded to the *The Last Emperor*.

Witches in the chamber

A wave of witchcraft was sweeping the country, Mr Geoffrey Dickens (Lisleborough and Saddleworth, C) said during business questions. He called for a debate on witchcraft and how it could be controlled.

Mr Tam Dalyell (Linlithgow, Lab) said that on the subject of witchcraft, he had an adjournment debate on the conduct of the Prime Minister's private office. Would Mrs Thatcher answer herself?

Mr John Wakeham, Leader of the Commons, said that a competent minister would answer. He doubted whether it would be the Prime Minister.

Ill MP put on committee

A Conservative MP appointed to the select committee on the Select Committee on the Board of Directors (Scotland) Bill was ill and therefore represented "a blank" on the committee, Mr Donald Dewar, chief Opposition spokesman on Scotland, said on a point of order.

He argued that Mr Nicholas Fairbairn (Perth and Kinross, C), one of the 16 Scottish MPs on the committee appointed yesterday, should be replaced.

"It is extraordinary that we have been reduced to appointing someone to a very sensitive and controversial committee who will not, at least for a very long time, be able to take part in its proceedings."

The Speaker (Mr Bernard Weatherill) said that this matter had been drawn to the attention of the Committee of Selection.

Advice for managers

Pay increases of about 2 per cent at the end of this year would fully compensate for inflation, taking account of the recent tax cuts in the Budget, Lord Young of Graffham, Secretary of State for Trade and Industry, said during questions in the House of Lords.

He said that wage bargainers should recognize this favourable prospect in their negotiations.

Benefits row

The Government had a majority of 96 at the end of an emergency debate on Wednesday which had been demanded by the Opposition to attack the recent changes in social security benefits.

Marriage Bill

The Foreign Marriage (Amendment) Bill, which simplifies and extends for long governing Britons marrying abroad, completed its passage through the House of Lords and now goes to the Commons.

Community charge defended

PRIME MINISTER

The proposed community charge did take into account people's ability to pay, the Prime Minister said amid Opposition interruptions during Commons questions.

Mr Neil Kinnock, Leader of the Opposition, had asked her if she now agreed that the flat-rate poll tax should be replaced with a system more closely related to people's ability to pay.

Mrs Thatcher said that those on income support received payment to meet the 20 per cent that they would otherwise have to pay out of their income. Above that, there was an 80 per cent rebate. Taking these two things together, between seven million and eight million people would not pay the full community charge because of rebates.

Mr Kinnock: Yes or no? Mrs Thatcher: I have given him a much better answer than that.

Mr Kinnock said that, for once, the Prime Minister could give a much better answer "which would be of interest to me and Labour MPs and, I am sure, to her mates, too".

Mrs Thatcher said that the community charge met only a quarter of local authority expenditure in England. Second, she repeated that between seven million and eight million would not have to pay the charge in full. Third, the 10 per cent of households with the highest income would pay 15 times as much towards the cost of local services as the 10 per cent of households with the lowest income.

Tory joins move to stop dental checks charge

A proposal to stop the Government forcing dentists to charge for check-ups was put forward by Mr Robin Cook, chief Opposition spokesman on health and social security, when MPs resumed the report stage of the Health and Medicines Bill.

He moved an amendment to delete the provision from the Bill, a provision which, he said, was the most offensive in it.

He said that dental examinations had been free since the inception of the National Health Service 40 years ago.

The effect of the Government's proposal would be that NHS dentists would become a shade more expensive than solicitors who on the whole still gave free advice.

Every MP ought to find the clause offensive.

There were reported to be 20 on the Government benches who would vote with the Opposition, the only surprise was that the Secretary of State did not intend to join them.

A new clause giving ministers power to introduce regulations requiring dentists to test for injuries or abnormalities as part of a sight test was moved by Mr Tony Newton, Minister for Health, when debate on the report stage of the Health and Medicines Bill began on Wednesday night.

He said that it was generally expected that examinations for abnormalities would be included as part of the test, but a recent case had suggested that there was no statutory requirement.

HEALTH

"This is surprising, because on the same day as the Secretary of State supports the Bill the Government has produced a White Paper on a subject to which it attaches great importance: the promotion of good health and the prevention of ill health."

This clause, which produces changes in routine screening, is in complete contradiction to the statement on the prevention of ill health.

Where were the organizations committed to dental health which supported the Government's proposals and which had in the past four months been convinced by the Government's arguments?

"If the Secretary of State has to admit, as I suspect he will, that these four months have failed to convince a single organization of the merits of the

proposal, the sensible and courageous course would be to pack it in and forget this lonely and fruitless measure."

Dental examination was important not just in screening dental health, but health in general and for oral cancer in particular.

Instances of oral cancer were now almost as common as cancer of the cervix and therefore its early detection could be life saving.

It would be perverse if the House were to pass a proposal threatening one of the most effective methods of screening one of the most common forms of cancer. Referrals for this form of cancer came more frequently from dentists than from GPs and it was also detected earlier by dentists.

It could not seriously be submitted that a new charge could be introduced without affecting the number of people attending.

Some patients would find it

Health and Medicines Bill

Tory joins move to stop dental checks charge

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Some patients would find it



Mr Maxwell-Hyslop: Voting in favour of amendment

difficult to afford the fee. Others who could afford it would not see the need for an examination when they did not feel they had anything wrong with their teeth.

One could not believe in the market unless one accepted that the pricing mechanism worked.

In other words, an increase in

price must lead to a reduction in demand and nobody with the Secretary of State's faith in the market could really expect the House to believe the examination charge could be increased from zero to £3 without a serious reduction in demand.

The maximum charge for routine dental treatment rose in 1985 from £14.50 to £15. In the subsequent year, the number of fillings was down by five million; the number of root treatments was down by about 140,000; and the number of treatments for gum disease was down by about a million.

All these reductions had come about because people were deterred by the charge. The only treatment which had increased was the number of extractions. So patients were losing teeth which would have previously been saved.

Only £50 million would be saved. The Government did not need to sell the principle of free preventive screening for such a

paltry price. Nor did it need to put at risk the dental and oral health of those who would be put off. Nor did the House need to accept this, if Conservative MPs would vote for the amendment.

Mr Robin Maxwell-Hyslop (Tiverton, C) asked whether they wanted to encourage or discourage people from having more dental examinations? It was as simple as that.

The charge would make it less probable that people would come forward for examinations. It was obviously desirable that people should offer themselves for examination in the interests not only of dental health but also because early treatment could be given for other diseases.

He would therefore vote in favour of the amendment to remove this clause.

Mr Ronald Fearn, SLD spokesman on health, discussed two of his proposed amendments which, he said, would ensure that dentures should not be withheld from patients who needed them but did not have the money to pay for them.

He said that that would be cruel. People should not have to do without dentures until they had scraped together enough money to pay the charges themselves.

Mr John Greenway (Ryedale, C) said they should be discussing not who should pay the charge for the dental examination but the structure of remuneration for dentists which was inadequate.

A clear signal should be sent to the public that regular attendance was what the Government wanted to encourage.

Peers in plea for the foresters

The following report of a Lords debate on forestry appeared in later editions yesterday.

The Government was warned by peers from all sides during the debate of the dire consequences to traditional foresters of the removal of tax relief on forestry announced in the Budget. Most peers spoke from personal experience as owners of woodlands.

Lord Chelwood (C) said that taking commercial woodlands out of the tax system would prove to be a serious blunder.

"In cladding two pop stars and a number of institutions who have planted trees on a very large scale, and listening too much to the views of the environmental lobbies, the Government has clattered the owners of commercial woodlands both large and small."

Lord Gibson-Watt (C), chairman of Timber Growers UK, which represents all private forestry, said that there was a brooding silence from the Government over its forestry policy. Ministers needed to look at inheritance tax and at some sort of maintenance grant for woodlands if its target of planting 33,000 hectares a year was to be met.

Peers in plea for the foresters

The Duke of Somerset (Ind) said that it was a pity there was no consultation with the forestry industry over the sudden change in policy.

The old tax system was designed to bring in outside capital to build up the forestry industry and had been successful. To vitiate those who responded to the initiative was most unfair.

Viscount Mersey (C) said that he hoped it was not beyond the wit of Government to draw up a scheme which distinguished between the speculators and traditional foresters.

Lord Taylor of Gryfe (SDP) said that economically there was an enormously strong case for Britain developing its own forestry as imports amounted to £5 billion a year.

Lord Sainsbury of Bowdoin, Minister of State for Scotland, said that the Government had in no way drawn back from its support for the forestry industry. The previous tax arrangements had been long standing but the Government was satisfied that their replacement with a more straightforward system would provide a sound and viable future for forestry investment.

Help 'targeted on the needy'

How could the Prime Minister sleep easily in her bed at night when she knew that thousands of the poor, the elderly and the handicapped were losing as much as £20 a week because of the vicious housing benefit changes, Mrs Margaret Ewing (Moray, SNP) asked during Commons questions.

Mrs Thatcher said that, on the whole, the Government's social security reforms had targeted help on the disabled and low-income families, particularly those on low pay.

There had been changes in housing benefit, with a capital limit of £6,000. Even so, the amount spent on this benefit by the people would still be more in real terms than in 1979, and every two households would still not only have to keep themselves but also contribute to keep every third.

Mr Eric Blease (Barnsley Central, Lab): What message does she have for the parents of more than 3,000 schoolchildren in Barnsley who have lost their entitlement to free school meals as a result of the Government's means-test mentality, which has brought about the recent social security reforms?

Mrs Thatcher: This is taken into account in cash benefits where they are available and,

PRIME MINISTER



Mrs Ewing: Challenge to Mrs Thatcher

however much he tries to deny it, the economic policy of this Government has led to higher payments of social security, at a time of falling unemployment, than ever before — levels which the Labour Party could not have dreamt of — £46 billion, including £2 billion extra (Labour protest). They are amounts which

mean that a working family has to pay £64 a week on average to keep security going; £62 a week to keep the health service going; and £25 a week to keep education going.

Mr David Heathcoat-Amory (Wells, C): When governments of the past have declared war on poverty, poverty has always won because of a declining economy and because of a benefit system which is highly complicated and full of anomalies.

Having put the economy right, will she press on with the difficult but essential task of re-establishing the original aim of the welfare state: to help where possible and accurate targeting of benefits to those who cannot help themselves.

Mrs Thatcher: Yes. Public services can flourish only if there is a flourishing private sector which creates the necessary wealth to run social services and raise the standard of living.

We should congratulate all working people on the excellent way in which they are responding in creating that wealth, and the excellent way in which it is being targeted on those in greatest need: families with children and particularly those with low incomes.

Mr Bowen Wells (Hertford

and Stortford, C): One of the great benefits of the social security changes is that they discourage young people who choose to escape the authority of their parents by going out and living on social security benefits and not genuinely seeking work (Labour protest).

Mrs Thatcher: Social security is meant for those who need help and genuinely cannot find work or are too sick or too old. Some parents are worried that their young people have left home and gone on the dole when someone could have got a job.

How did the Prime Minister justify the spending of £300 a head on businessmen's breakfasts to launch the campaign for the inner cities when so many poor including the poorest, had been made poorer. Mr Barry Sheerman (Huddersfield, Lab) asked.

Mrs Thatcher replied that she did not agree with his premise.

This week there would be, in cash terms, five million gainers, two million with no change and a decrease for fewer than a million. The Government was paying as much as it could to help the inner cities and what Mr Sheerman was complaining about was that it was succeeding in presenting its policy properly.

Alton Bill not to get extra time

The Government will not make an exception and give time for completion of the Abortion (Reform) Bill, a private member's Bill, which has now passed its committee stage, Mrs Thatcher reaffirmed during question time.

Sir Bernard Braine (Castle Point, C) said that there had been widespread interest in the Prime Minister's meeting with Mother Teresa of Calcutta.

"After her meeting with that remarkable woman, would she

not agree with Mother Teresa's assertion that the poorest nations on Earth are those who substitute the violence of abortion on demand for love and practical help? Will she therefore ensure that the Bill before the House will have a fair run?"

Mrs Thatcher: Every person has the greatest respect and affection for Mother Teresa and her work. He knows the position on private member's time and that the Government does not give time for these Bills.

Parliament next week

MPs will spend Monday to Thursday next week on the remaining stages of the Local Government Finance Bill. The last stage will be concluded on the next Monday.

Friday: Private Members' Bills: Protection of Animals (Amendment) Bill, remaining stages. Malicious Communications Bill, committee.

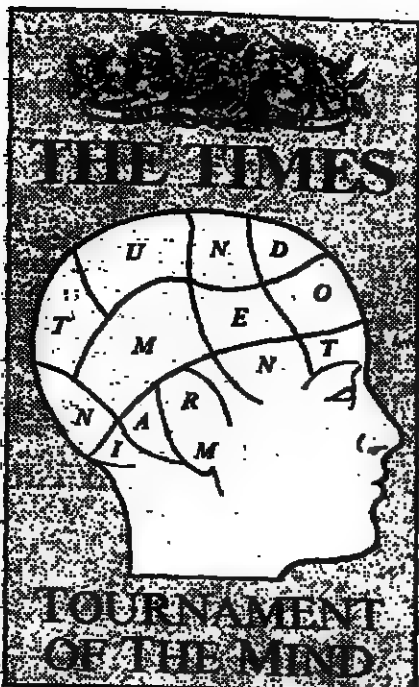
The main business in the House of Lords will be: Monday and Tuesday: Education Reform Bill, second reading. Wednesday: Debate on public transport and traffic congestion.

Protection of Official Information (No 2) Bill, second reading. Finance Bill, remaining stages. Regional Development Grants (Termination) Bill, Public Utility Transfers and Water Charges Bill and Immigration Bill, third readings. Debate on investment in Airbus 320, 330 and 340.

Parliament today

Commons (9.30): Private members' Bills: Scotch Whisky Bill and Consumer Arbitration Agreements Bill, remaining stages. Companies (Political Donations) Bill, second reading.

Tournament of the Mind



● Round Five of the individual final of *The Times* Tournament of the Mind, with a £5,000 and a trophy awaiting the best of the 124 top-scoring finalists

Jayne Dawid, a 22-year-old computer graphics designer from Leeds, all but went back to school in order to reach the finals of *The Times* Tournament of the Mind. She still has her calculus and algebra text books from exam days, and she raided them freely for inspiration when she was stuck on one of the mathematical questions.

"Actually my academic qualifications aren't very special," she admits. "I got six O levels, but I dropped out while I was studying for A's. However, I have taken about five aptitude tests in the past, which you sometimes have to do if you are applying to work for a

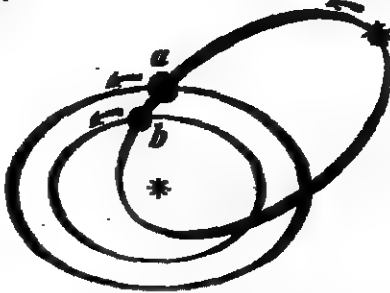
computer company, and they had many similarities to this competition. Each time I took one of those tests, I found I'd improved noticeably on the time before."

The two qualities she considers most important, in the finals as in the early stages, are logical thinking and common sense. They may not mean that you are good at general knowledge, but they do help you to find your way more efficiently to the most accurate answers of reference.

"During the first stages the Leeds library was inundated some days," she recalls. "There'll be fewer there this week, I expect, but one of them will be me."

1. LOGIC

In the diagram you will notice that a comet is 0° through its orbit. The comet passes planet A at a point when the planet is at 0° and the comet is one quarter way through its orbit. They next pass when the comet and planet A are three quarters of the way through each of their orbits. The comet passes planet B when planet B is at 0° and the comet has completed three eighths of its orbit. They next pass when both the comet and planet B are five eighths through their respective orbits. If planet A orbits the sun every 45 years, planet B orbits the sun every 102 years and the comet arrives every 112 years, when will the comet next pass planet A and planet B?



2. VERBAL

Can you think of two words of the same seven letters which will replace the stars in this sentence:

Constant * * * * * can * * * * * depression upon the mind.

3. MATHEMATICS

A man has travelled 117 1/4 miles of a journey. On the fourth day he has 16 1/4 miles left. We know that on the first and third days of the journey he covered exactly the same fraction of what was left to cover. If he covered one third of the distance remaining on day two and one quarter of the distance left on day four, what fraction of the distances remaining did he cover on days one and three?

Work out the reasoning behind the series of letters and then tell us which letter should come next:

A K Q J T N E S ?

4. GENERAL KNOWLEDGE

1. Which Roman Emperor conquered the city of Palmyra in the 3rd century BC?
2. Which Chinese poet is reputed to have drowned while trying to embrace the reflection of the moon from a boat?
3. Which Hungarian musical instrument has 10 pairs of wire strings stretched over a shallow three-sided soundbox, the strings being struck by a hammer?
4. Which ancient written language, originating from a Greek island, has yet to be translated?
5. Which early French barber-surgeon to the army discarded the practice of treating wounds with boiling oil and hot irons in favour of cleansing, ointments and surgery to tie off major arteries?

Blind country in a Channel fog

This weekend Lord Young sets out to make us all good Europeans. *The Times* asked a group of professional people 20 simple questions about the EEC, and the momentous changes coming in 1992. The results, reports Michael Dynes, were disturbing

Norway, Austria and Switzerland are members of the EEC... and the Community includes anything from eight to 20 countries. These are just some of the answers given in a *Times* survey this week which reveals astonishing levels of ignorance about Europe among professional people.

When delegates to a computer conference in London were asked 20 simple questions, eight out of 10 of them did not know the names of the member states. And while three-quarters of those who took part asserted with reasonable confidence that the European Commission is based in Brussels, only a quarter knew that the EEC's principal decision-making authority is the Council of Ministers. Not a single person could say where the European Court of Justice is located.

The answers underline the evidence from a Department of Trade and Industry poll last autumn which demonstrated that a mere 15 per cent of businessmen were aware of the economic revolution hurtling towards them.

In a desperate attempt to reverse this lamentable state of affairs, the Trade and Industry Secretary, Lord Young, of Grafton is about to launch a campaign to "raise the nation's consciousness" about the approach in 1992 of the Single European Market, when internal barriers to trade will be lifted. It will be an event, he says, which will "change the existing way of life" of the British business community.

Sunday sees the launch of a £5 million television advertising campaign designed to alert us to the dangers and opportunities the economic rebirth of the EEC and convince the



nation that its future is on the other side of the Channel. Helping to put the message across will be some of Britain's most successful entrepreneurs, including Bruce Oldfield, the clothes designer whose customers include the Princess of Wales; Alan Sugar, the chairman of Amstrad; Sir John Egan, the chairman of Jaguar; and Sir John Harvey-Jones, the former chairman of ICI. The commercials will attempt to make 1992 as popular a topic of conversation as property prices.

Their message for the next three months will be a simple one: "Start thinking about trading in Lisbon or Copenhagen as naturally as you would do with Worthing or Aberdeen."

The television campaign will be supported by a leading conference for top businessmen and women at Lancaster House in London on Monday.

This will be followed by a campaign in the provinces with a series of ministerial-led breakfasts. The campaign will build upon last month's DTI mail-shot to 135,000 businesses, drawing attention to the department's "Single Market hotline", (01-200 1992).

Despite the novelty value of recruiting some of Britain's

most respected business personalities, Lord Young is a comparative late-comer to the cause of Europe. The French, who launched their 1992 campaign 18 months ago, are way out in front.

Last summer, French television viewers were treated to a series of Euro-advertisements displaying a feeble French businessman in a boxing ring, stripped down to his shorts, and confronted by a formidable Japanese Sumo wrestler and a grizzly American baseball player.

Suddenly, his 11 European partners, dressed in their national colours, enter the ring and proceed to beat the living daylight out of their US and Japanese rivals. The French government now boasts an 80 per cent "1992 awareness" among its business community.

Britain, however, has decided to adopt a less nationalistic approach. D'Arcy Masius Benton and Bowles, the advertising agency that conceived the commercials, decided to opt for a testimonial approach, to help overcome the EEC's debilitating "credibility problem" in the eyes of most British people.

DMB & B points out: "To the business community, the idea of Europe can conjure up images of bureaucratic delay and unfair protectionism. To the public, harmonization means Euro-sausage and getting a burgundy coloured passport."

Their research revealed a massive negative attitude towards anything to do with the EEC and the 1992 Single Market programme. "I've never heard of it. It probably won't happen anyway, anyway, even if it does, it won't affect



6 The events of 1992 are going to change the way of life of the entire business community

make a different computer for every EEC country. By the end of 1992, things will be different. The Common Market will actually be what it claims...

"It will let me make just one product and market it to 320 million possible customers. So the opportunities coming up for British business can't be stressed enough. There is a sting in the tail for

those who insist on ignoring Europe. The new generation of entrepreneurs from across the Channel will be eagerly eyeing Britain's domestic market. British companies used to a comfortable existence could suddenly wake up to discover themselves under assault from their European competitors, and facing the prospect of losing their home market. Dismissing - criticism that

his department's 1992 "Europe Open for Business" campaign is "too little, too late". Lord Young is confident that his target of 90 per cent awareness by the end of the year will be achieved.

But the company which created the commercials is under no illusions about the enormous task. "Most of the advertising industry regards Lord Young's target as totally

tough to achieve," a DMB & B source told *The Times*.

Undeterred, the Government is determined to continue the campaign in different phases, right up to the start of 1992. Lord Young has said that he is prepared to spend "whatever it takes" to help British business prepare for Europe's renaissance.

If successful, the 19th century adage "fog across the Channel - continent cut off" will soon have no place in a United Kingdom populated by good Europeans.

SATURDAY

Portfolio PLUS NEW Accumulator At least £8,000 to be won



A cut above the rest: tomorrow in *The Times*, Deyan Sudic takes a look at the tailoring of a new image for Savile Row, home of the bespoke suit

Can you always get your copy of *The Times*?

Dear Newsagent, please deliver/save me a copy of *The Times*

NAME

ADDRESS

GEOLOGY

The island of St Lucia in the Caribbean may become self-sufficient in energy if tests for geothermal potential are successful. An exploratory well at the site of an extinct volcano has yielded considerable quantities of water at temperatures of 300°C, at a depth of only 1.5km. Drilling would normally go to 5km to achieve this. If further tests are positive, a power station could produce an output of 8 to 10 megawatts - and similar islands could benefit in the same way.

Simon Eley

An ancient cultivated cereal called *Bromus pinnatus*, adapted to cold, wet and acidic conditions, was thought to have become extinct after its ancient users, the Aranacans Indians of southern Argentina, turned to European varieties. It has been recently rediscovered growing at 1,200 metres in Andean foothills, and there

CONSERVATION

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HISTORY

Which Liberal MP for Darlington became a German censor and ended up as a Buddhist monk? Treble Lincoln was

1992 ANSWERS

1. 12 (43% answered correctly).
2. France, Britain, Italy, West Germany, Netherlands, Ireland, Belgium, Spain, Greece, Luxembourg, Portugal, Denmark (20%).
3. The Treaty that established the EEC (65%).
4. Marcon (82%).
5. Strasbourg (52%).
6. Adder to the Council of Ministers with limited control over the budget (30%).
7. Twelve gold stars on a blue background (13%).
8. Brussels (76%).
9. Implementation of EEC treaties and agreements (43%).
10. The Council of Ministers (25%).
11. Luxembourg (0%).
12. Settles disputes over Community laws (73%).
13. The first revision of the Treaty of Rome (10%).
14. A single European market (65%).
15. 1992 (70%).
16. Lord Cockfield (10%).
17. Yes, but only by prior agreement (10%).
18. Peter Sutherland (2%).
19. Harmonization (6%).
20. Call 01-222 0411 (10%).

FINDINGS

A weekly series on research

is hope that it may provide a basis for a new, extra-hardy cereal. Paul Munton

PUBLIC OPINION

Product quality is the best indicator of a company, according to a recent MORI survey of British captains of industry. Asked how they judged a company, 52 per cent of top business executives drawn from *The Times* Top 500 companies put the quality of its products or services ahead of its record of growth and profits (49 per cent) and customer relations (31 per cent). Robert Worrester

HISTORY

Which Liberal MP for Darlington became a German censor and ended up as a Buddhist monk? Treble Lincoln was

his name, a Hungarian never did well, whose story is described by Professor Bernard Williams in this month's *History Today*. With the support of the Rowntrees, he stood as a Liberal in the 1910 General Election and was elected by 29 votes - an astounding upset in a solidly Tory seat. Bankruptcy prevented him standing again in the second election that year. After being turned down as a spy by Naval Intelligence in the First World War, he conceived a burning hatred of his adoptive country. He later joined a right-wing regime in post-war Germany and became a press censor, taking pleasure in censoring *The Times* dispatches. He ended his life as a Buddhist monk in Shanghai, disseminating anti-British propaganda for the Japanese. John Cranford

CONCISE CROSSWORD NO 1540

ACROSS

1. Obnoxious salute (6)
4. Against (6)
7. Fortifying (4)
8. Mexican resort (8)
9. Small hovering falcon (7)
11. Golf club carrier (5)
12. Bishop's title (5,8)
15. Voting agent (5)
16. Insurance statistician (7)
20. Fiy Wray gorilla (4,4)
21. Japanese wrestling (4)
22. Meal (6)
23. Go back on (6)

DOWN

1. Critic (7)
2. Widow's mourning clothes (5)
3. Interface (5)
4. Calf meat (4)
5. Large blot (7)
6. Gaudy (5)
7. Luxurious (5)
8. Laxative (5)
9. Bull (5)
10. Adult (5,2)
11. Unproductive well (3,4)
12. Fire iron (5)
13. Tobacco leaf roll (5)
14. Maltrait (4)
15. Boor (4)

SOLUTION TO NO 1539

ACROSS: 1. Pacify 4. Brown 9. Verigo 10. Darts 11. Tush 12. Ceiling 14. Chief of town 15. Pacha 16. Idle 22. Hyman 24. Nudity 25. Tiddly 26. Varied

DOWN: 1. Pave 2. Crag 3. Frightful 5. Red 6. Worrier 7. Easie 8. Don Giovanni 11. Tie 13. Laurie Lee 15. Nothead 16. Etc 17. Upstart 20. Lains 23. Eyed 25. Ate

CONGRATULATIONS

to all those who entered the TOURNAMENT OF THE MIND

As you obviously enjoy challenging problems, Tough Puzzles is for you. Win a free sample copy by solving the tester below. Tough Puzzles is the only magazine that can provide you with this culture of puzzle on a regular basis. Every monthly issue contains over 30 brain teasers, deductive puzzles, numerical crosswords and much, much more. Only on subscription.

At times and seven? Don't bet! Remove all of them from a standard pack of fifty-two, and fit all the rest (for the two cards too many, which together total nine) into the six by seven grid shown. The suits must be placed, from left to right and from top to bottom, in the sequence hearts, clubs, diamonds, spades. But be careful! No two cards adjacent horizontally, vertically or diagonally may total six or seven or their ominous sum of thirteen (Ace=1, Jack=11, Queen=12 etc). And note that the red Kings are both on the perimeter, but the black Kings are within, though not in the centre column. There is only one instance of diagonally adjacent cards being of the same value.

Except for six pairs, no value occurs more than once in a row or column. Of the cards shown, four (which are not corner cards) each form half of pairs within their respective columns. The second 3 in column C also forms a pair with another 3 in its row. The odd-numbered cards at D4 and G4 form the sixth and final pair. In only one of the six pairs are the cards adjacent. Can you now complete the grid below?

	A	B	C	D	E	F	G
1	9♥		3♦				10♦
2							
3							8♥
4							
5							
6	5♣	4♦	J♠				A♠

Name

Address

(BLOCK CAPITALS, PLEASE)

Post to TP Offer, BEAP Ltd, PO Box 402, London W6 0FQ

I've just sent some flowers and a note of apology to one of my favourite ladies. Mrs Margaret Thatcher. I'm unable to attend a little bash of hers at Number Ten next week as I'm up in Scarborough directing a film of Alan Ayckbourn's next play, *A Chorus of Disapproval*.

The Prime Minister is a gracious and hard-working host. At a recent cocktail party I found myself in a group with Mr Ayckbourn, Sir Peter Hall of the National Theatre and Terry Hands of the Royal Shakespeare Theatre, all wondering why they'd been asked.

But it was the party before that produced a moment I shall always remember. Mrs Thatcher stood on a small box and gave a speech to a hundred or so cocktail guests. Although it was some years after the Falklands War, she spoke dewy-eyed of those tumultuous days. "In these very rooms," she told us, "William Pitt decided to claim rights to the Falklands. Then again, in 1833, Earl Grey took full possession for Great Britain. During World War Two, how very helpful the Falklands base was to our navy!" A pause. "And I, too, paced the floors of these same rooms, thinking and pondering before deciding to send our boys in a Task Force to the Falklands."

We listened intently. "So you see, you are all foot-notes on the pages of history!"

A stunned silence. Wonderful, I thought. British eccentricity at its best. Near me, Jonathan Lynn, writer of the television series, *Yes, Prime Minister*, was jotting down the words avidly in his notebook. He never used them. No one would have believed them.

While on the subject of women I greatly admire, I was pleased to hear from the lovely Ava Gardner, back from treatment in America last week for a stroke, a bad back, a fall from a trampoline that was meant to cure her bad back, and various other ailments.

Ava sounded feisty and fine. "I'm signing autographs," she said. "And looking at how beautiful I was. It makes me sick!"

Ava, still beautiful to me, has decided, at long last, to write her autobiography. Considering this is the lady who married Mickey Rooney, Artie Shaw and Frank Sinatra and had a long relationship with Howard Hughes, it is one of the great untold stories.

For years, Ava turned down all overtures for her life experiences. "I'm saying a lot of things I thought I'd be reluctant to say. It's like psychoanalysis," Ava told me. "I'm gonna square up a few things that have been printed about me."

It's a book I can't wait to read.

Another woman I adore, and quite the most professional and easiest star I ever directed, is Sophia Loren.

We were making a film called *Firepower* in Antigua. Sophia had lots of days off, and I asked her what she did on them. "I've found a secluded beach," she said. "I sunbathe in the nude."

"But Sophia," I said. "This is tourist time. The island is full of people with cameras."

"Don't worry," said Sophia. "I'm from Naples. We have a nose for these things."

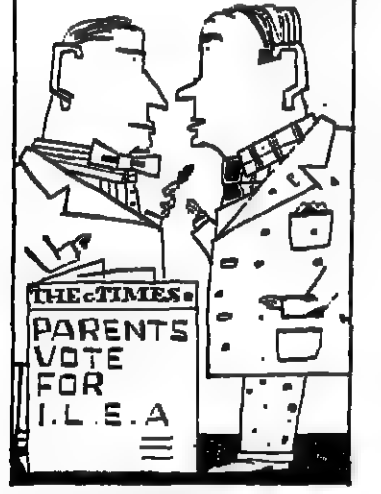
Two months later the phone rang in my house. It was Sophia. "Have you seen *Paris-Match* this week? There's seven pages of me nude on the beach in Antigua. Do you think I should sue them?"

"I don't mean to be impertinent, Sophia, but how do your bosoms look?"

"Rather good, actually!"

"Forget suing. Phone and thank them."

BARRY FANTONI



"I'm sure the Government will respond accordingly - they'll still abolish it"

I am glad that John Prescott is standing for the deputy leadership of the Labour Party. I always like it when people I know do something daring. I met Mr Prescott on the train from Scarborough a few days before his announcement. He was coming from his constituency in Hull. We passed a pleasant hour chatting and I invited him to join me on the set of my film, *A Chorus of Disapproval*, in Scarborough.

I had a nice letter saying he and his wife would be delighted. I hope his electioneering duties don't prevent him from turning up. Or the fact that he may have found out I support the other party.

This is sometimes a strain. I wrote to the Tory MP for Scarborough, Sir Michael Shaw, inviting him, and he never even bothered to answer!

I definitely think differences of political opinion should not prevent socializing, if I may use the word. On the *Any Questions* radio programme, where I am a long-time panellist, it has been two on the very left, Arthur Scargill and Ken Livingstone, who get my vote for the most entertaining and pleasant people I have sat at dinner with. Then we went on the air, lashed at each other with hammer and tongs, and returned to the coffee reception as great friends.

Indeed, I remember a little party I gave which was attended by all the political leaders - Thatcher, Kinnoch, Steel and Owen - and how impressed I was by the great cordiality with which they greeted each other, even though a few hours earlier they had been calling each other very nasty names in the House. At my do even David Steel and David Owen spoke to each other nicely.

Ah, those were the days, indeed!

Religious fundamentalism in the Middle East - especially Shia fundamentalism - is so hostile to the policies and the very existence of the Arab dictatorships, that the governments of the region have little or no idea how to communicate with the minds of the "Islamic Jihad" hijackers on the Kuwait Airways Boeing.

For pragmatic reasons, Arab leaders have always refused to have open contact with religious radicals, fearing that the contagion of the Iranian revolution might touch them if they did. And now those same Arab governments - which have never shrunk from imposing the death penalty to keep order within their domains - are faced with men who have donned shrouds because they actually want to die.

It is this absolute and apparently unbridgeable gulf between the hijackers and the Arab states who are trying to talk to them - between the aims of a martyr who seeks paradise and the corrupt states on earth, as the gunmen would see it - which chiefly accounts for the deadlock in Algeria and for the betrayal by the hijackers of the original deal for the passengers' release worked out by Mr Yasser Arafat, the Palestine Liberation Orga-

Robert Fisk explains why Algeria cannot get through to the hijackers

A fundamental deafness

nization chairman. Perhaps the only men who truly understand the hijackers are their colleagues of "Islamic Jihad" back in West Beirut; and until the plane left Larnaca, they could in fact listen in Lebanon to the drama being played out in Cyprus over the Boeing's flight-deck radio. But now the aircraft has flown so far to the west that those in Beirut can no longer hear their words.

Mr Arafat has suggested that the hijackers were communicating with their supporters outside the aircraft and it may be that some of the written statements they read out over the plane's radio contained pre-arranged code-words.

In Southern Lebanon those chosen to immolate themselves in suicide car bombings against the Israeli occupation army are believed to have received their instructions in just such a way: the code-words, a phrase or form of devotion - would be contained in a sermon at Friday

prayers in the small *Husseiniyyas*, the village mosques. Indeed, the village mosque as a centre of social and fundamentalist thought - both reverent and intransigent - has much to do with the gunmen on the jet at Algiers airport.

In the past, the Arab regimes have quite cynically manipulated the more extreme of their religious opponents, encouraging them when their hostility to communism was useful to the administration, but ruthlessly slaughtering them when their demand for an Islamic state ruled by *sharia* law acquired too much popularity or took the form of armed insurrection.

First President Nasser and then President Sadat used the Egyptian Muslim Brothers as a bulwark against the far left and then cut them down when they became too influential. When Sadat was himself assassinated by Khaled Ahmed Shawkil Islambouli - a man who would

have instinctively admired the minds of the hijackers in the Kuwaiti jet - young Muslim fundamentalists in Assiut were tortured with razor blades by the Egyptian police.

In Lebanon President Assad of Syria manipulated the pro-Iranian Shia forces into positions of enormous influence in the struggle against the Israelis but is now in the process of castrating their ability to operate independently by promoting the more moderate Shia group under Mr Nabih Berri. When Sunni extremists rose up in the Syrian city of Hama in 1982, however, Assad sent his brother's special forces troops to suppress the rebellion with ferocity. Many of the officers who were responsible for the Hama slaughter and for 'later acts of great brutality in the Lebanese city of Tripoli when Sunni fundamentalists took control there - are now based in West Beirut.

If radical internal opposition had been more tolerated in the early years of post-colonial rule in the Arab world, movements like "Islamic Jihad" would perhaps not have been born or might have been accommodated in less volatile form than they later assumed. But Muslim fundamentalism - the pan-Islamic ideal that places divine guidance above earthly governments - was forced to take root in secret. Middle East leaders either denied its existence, claimed it was a form of communism - which is what the Shah did - or hanged its principal figures as traitors.

The idea of a truly Muslim alternative to the bureaucratic and often genuinely corrupt regimes in the region has thus always attracted the most deprived and neglected communities in the Arab world, which are usually minority communities.

It is for this reason that Shia extremists so loathe Kuwait -

whose Sunni ruler is now among the most vulnerable of the Gulf potentates - and are so willing to follow the spiritual and physical example of Ali, even when this means the reneging of agreements and the murder of innocents. Freedom in not so much a physical demand - though it has taken that form in the drama of Flight KU422 - but a means to an end: the destabilization and ultimate destruction of the "corrupt" Kuwaiti regime.

Arab leaders probably understand this much. Certainly "Islamic Jihad" succeeds in persuading its Arab enemies to speak like its Israeli enemies. The Kuwaiti officials who were on Wednesday demanding an eye for an eye and a tooth for a tooth might have been the allies of Mr Yitzhak Shamir.

Those who do not understand - particularly Westerners - are swallowed up in the darkness. Mr Terry Waite, the Archbishop of Canterbury's envoy, suffered just such a fate when he attempted to talk to the very same organization which has now hijacked the Kuwaiti jet. The sound of the deaf talking to each other is not a new one in the Middle East.

Peter Stothard

Battle of the Tory books



The events of this war are not so easy to conjure up as for the present quarrel is so inflamed by the warm heads of either faction, and the pretensions somewhere or other so exorbitant, as not to admit the least overtures of accommodation.

Jonathan Swift's introduction to the *Battle of the Books* (1697/8) is hard to better as an introduction to the battle of the books (1987/8) which was reopened yesterday. Just as Swift the politician would have enjoyed Mrs Thatcher's third general election victory, so Swift the political litterateur would have loved the struggle to claim responsibility for it.

This week the Nuffield study of the election, the poll-watcher's bible since 1945, takes up the theme which has dominated so much Tory discussion since June. It gives the closest thing to the authorized version of the "Wobbly Thursday" during the campaign when ministers were (almost literally) at each other's throats, and when the hidden tensions that had beset Mrs Thatcher's leadership since the Westland crisis appeared to be heading her to disaster.

The account is a simple one. It states that five days before the poll an editorial in *The Times* drew attention to the ineptness which the Tories were holding into the perceived failure of their advertising message to match that of Labour. It makes clear that two days after the poll *The Times* revealed the details of that ineptness.

These included the chaos that was caused by the Prime Minister allowing three different teams of political advisers and advertising agencies to contribute to the campaign; the distrust felt by Mrs Thatcher towards the ambitions of Norman Tebbit; and the angry altercations between Mr Tebbit and Lord Young as they discussed changes to the party's presentation.

On the Saturday that these revelations appeared, however, the heads of the factions involved were as "warm" as any Swift described. Some of them

were at the Prime Minister's reception for the Commonwealth diplomats at the Trooping of the Colour - though the wiser were not. "Exorbitant pretension" would have been a mild description of the official feeling about those held responsible for the article.

The counter-attack began at once. Lord Young and Mr Tebbit felt particularly aggrieved, not only with each other (a fact which subsequently became a major story in its own right) but also with Lord Whitelaw and Mr John Wakeham, who were linked with the work of Young & Rubicam, the advertising agency whose role was revealed that day in *The Times*.

The battle of the books began in earnest with the publication a month later of *Campaign! The Selling of the Prime Minister* in which Rodney Tyler expanded the *Times* version of the role played by the advertising executive and political eminence grise, Tim Bell, and virtually dismissed all others. He called the *Times* account "bizarre".

Mr Tebbit then attacked the inaccuracy of both Mr Tyler and *The Times*. He praised Mr Tyler for virtually nothing except his "lofty disdain" of the stories about Young & Rubicam. There was thus more than usual interest amongst aficionados in advance of publication this week of the Nuffield study, edited by Dr David Butler and Professor Dennis Kavanagh. This book is different from others in one important respect. The authors, working to the generous time limits of academic history, have a long tradition of being trusted with information not so lightly entrusted to journalists. Moreover, their finished text is shown in advance to the chief characters. Emendations are made and a consensus reached.

Representatives of all sides in the Wobbly Thursday dispute were shown the parts that described their roles. Mr Tebbit, for example, added a parenthesis to make clear that it was not on his initiative, but Mrs Thatcher's, that Mr Jeffrey Archer was appointed as his deputy. He also altered a phrase stating that at

the infamous Thursday meeting Lord Young had "grabbed him by the shoulders". As published, Lord Young "assailed" his party chairman.

As a result of this editing process, any idea that Wobbly Thursday never took place, was a "storm in a tea cup" or that Saatchi and Saatchi alone delivered the party's advertising can be completely discounted. Mr Tyler's account may be "partial"; the significance of the revised advertising strategy after Wobbly Thursday may never be known. But the truly significant fact, confirmed by the Nuffield study in the face of numerous denials, is that the fall-out from the Westland crisis was affecting the top levels of the Tory party far into the election campaign - and long after the press and public had become bored with it.

Among a number of important revelations to be left unchallenged by the Tory hierarchy was that Young & Rubicam were being paid for their research efforts by the Party Treasurer, Lord McAlpine, without the knowledge of the party chairman, Mrs Thatcher must have known that the money was being paid. She and other senior ministers received the results. Mr Tebbit knew nothing. Moreover, this activity was going on long after the immediate Westland tensions had been resolved, and after he had been reassured by her that the suspicions of his ambitions had been assuaged.

The thrust of this research was to reassure the Prime Minister that she was not the lame-duck and political liability which her colleagues, including Mr Tebbit, seemed to think that she was. It

confidence with one another". Yesterday he concluded his comments on breakfast television about the Nuffield study very differently. "I suspect, from the research that was done and the track record, that it is probably the nearest, most accurate version of that election until my own is published".

Attention is now also being drawn, for example, to hitherto undisclosed exchanges between the Foreign Secretary, Sir Geoffrey Howe, and Mr Tebbit after the Westland affair. In these it was discussed how they might best join forces to put pressure on Mrs Thatcher - even to the point of a resignation pact to force her out of office if it were clear that she could not win the next election.

At least one face-to-face meeting took place to discuss joint pressure against her. But although both men had specific reasons to be unhappy with the Prime Minister's leadership at that time, Sir Geoffrey because of her hardening policy against South African sanctions, no full account of these manoeuvres has yet appeared.

Sir Geoffrey's attitude in the light of the Westland affair has so far been less well documented than Mr Tebbit's. Butler and Kavanagh describe how "in February 1986 several senior ministers (and their wives) were talking of the need to replace the Prime Minister". Lady Howe is known to have strong views about her husband's fitness to succeed, stronger perhaps than his own. Sir Geoffrey has restricted himself to telling recently of his unhappiness at not being made Deputy Prime Minister.

The agenda for the Autumn Party conference is already in a turbulent phase. As well as Mr Tebbit's book, there is a forthcoming *roman a clef* by his former Chief of Staff, Mr Michael Dobbs. Lord Whitelaw, himself, is beginning work on his own memoirs. The shade of Jonathan Swift is guaranteed more bookish battling to come.

The British General Election of 1987. (Macmillan, hardback £29.50, paperback £14.95).

Commentary • ROBERT KILROY-SILK

Pointless penalties

Douglas Hurd intends to imprison delinquent 14-year-old boys in penal institutions even though he knows that the most likely consequence of his action is that they will be turned into professional criminals.

He must, therefore, have strong and compelling reasons for what he is contemplating. If he has, then he has been keeping them to himself. Neither he nor any of his numerous junior ministers has been able to offer one reason why it is deemed necessary for the Criminal Justice Bill currently before Parliament to give the courts powers to detain 14-year-old boys in young offender establishments.

Some 500 boys a year will be disposed of in this way if the Bill becomes law. Yet the Home Office would be the first to acknowledge that such incarceration will not achieve anything positive - for the boys, or for society as a whole. They will not be transformed into law-abiding members of the community. Quite the opposite. The Home Office's own figures show, for instance, that 76 per cent of 14-16 year old boys committed to detention centres in 1986 were reconvicted within two years of release. Whatever else may be thought to be of benefit from imprisonment, the reform and rehabilitation of the offender is not one of them.

Nor does the threat of such punishment deter others from crime. If it did, there might be something to be said in its favour. Yet even the widely-publicised and loudly trumpeted short, sharp shock treatment did not reduce the rate of re-offending by young people. As the Home Office's Young Of-

fender Psychology Unit pointed out, the new regime at New Hall and Send Detention Centres "did not affect crime rates."

The public will not even be protected from further offences, or not for long. The imprisonment will be for only four months or less. With remission it may be as little as two months. But short though that is, it is long enough to learn the craft and culture of crime from the older inmates, long enough, as they will testify themselves, to become more professional.

Home Office ministers accept all this. They also assert that it is wrong to put juveniles with young offenders, to place vulnerable 14-year-olds alongside cynical 20-year-olds. They admit that they have different needs and should be treated differently. Yet they also confess that it will be impossible in practice to ensure such separation.

And why only the boys? The Government has repeatedly reiterated its belief in sexual equality. Yet here we have a blatant example of sex discrimination on any grounds. Indeed, if we really think that putting troublesome 14-year-olds in prison served any useful purpose, then it should be the girls that are locked up, not the boys. As the Advisory Council on the Penal System pointed out twenty years ago, while girls get into trouble less frequently than boys, when they do they are "generally much more difficult...and disturbed." Even so, it is suggested that they would derive more benefit from non-custodial treatment.

If that is true of the "more difficult" and "more disturbed" girls then it is even more true of

the boys. After all, it is not as if we are talking about really violent and dangerous criminals. If any of them came into that category they would already have been quite properly detained under Section 53 of the 1933 Children and Young Persons Act. No, these boys have been convicted of lesser offences, more than 80 per cent of them non-violent.

Douglas Hurd knows, because he keeps telling us, that minor offenders are best dealt with inside the community. It is there, after all, where their problems are and where they have to be resolved, eventually. This can best be achieved by subjecting them to rigorously enforced Attendance Court Orders or intensive intermediate treatment, or, if necessary, local authority care orders. Yes, it is true, these options are not always effective. Mistakes occur, frequently. But there are fewer of them than are caused by the use of custody, and they are vastly less expensive.

The Home Secretary likes to portray himself as a brave, sensible and yet compassionate person. Perhaps he is all of these things. He now has the opportunity to show that he is also capable of publicly admitting his mistakes and of rectifying them. He should take it. All that is required is that during the report stage of the Bill in the House of Commons next month, he deletes this silly and unfair provision. That would be a contribution towards reducing crime and containing the prison population. It would also be welcomed by almost all those with any knowledge or experience of young offenders.

SCIENCE REPORT

Here's a pretty tail

New results in this week's *Nature* strongly support one of the most contentious aspects of Darwin's theory of evolution - that male birds have elaborate sexual ornaments because females prefer them (his theory of sexual selection).

Dr Anders Pape Moller of Uppsala University, Sweden, has discovered that female swallows prefer to mate with males with longer tails, and that these males benefit by passing more of their genes to the next generation.



The species of swallow he studied, *Hirundo rustica*, lives in colonies and feeds by catching insects on the wing. The sexes are alike, except for the two longest tail feathers, which on average are half an inch longer in males.

Seeing as reason why tail ornaments would help males is, say, flight, Moller assumed they might have evolved to help attract mates. But swallows are monogamous, so a long tailed male in a stable pair bond would derive no continuing benefit in attracting mates. Darwin, on the other hand, had argued that monogamous male birds might benefit by breeding earlier and more successfully.

Moller tested Darwin's idea in a series of experiments at eight swallow colonies at Kragbode in Denmark. Lengths of tail feather were then removed or extra lengths glued on, before the birds were ringed and released.

Short tailed males took

more than four times as long to acquire a mate as males with elongated tails. Males with the longest tails bred earlier in the season and raised two clutches more often than short tailed, while more than twice as many fledglings emerged successfully from their nests. This, Moller believes, is strong support for Darwin's theory.

Males favoured by female choice also seem to benefit in an unexpected way. Female swallows often copulate with males other than their partner. The Danish study shows that males with longer tails were more successful in illicit copulations, so favoured males may father an even larger proportion of a colony's offspring than suggested by the breeding data alone.

Moller's work not only helps to vindicate Darwin's theory but is the first direct

demonstration of an advantage for sexually ornamented males in a monogamous species. But Moller admits that many questions remain unanswered by his study. For instance, although his results show how favoured males benefit from female choice, it is not so obvious what advantage females get from choosing to mate with ornamented males.

Another problem associated with Darwin's theory of sexual selection by female choice is shown by the spectacular tail of the peacock. Traits such as this are costly to produce and although they may help to attract mates, they handicap males when fleeing predators.

As sons of preferred males will tend to inherit the handicap it is often argued that male ornaments must indicate other superior qualities. Professor W.D. Hamilton of Oxford University, has vigorously championed the idea that male sexual ornaments may have evolved because they allow females to discriminate between males differing in their resistance to parasites.

Others argue that the preferences expressed by females when choosing mates do not benefit such females, but are merely historical accidents. Many of these ideas were discussed recently at a conference on sexual selection held at Dahlem in West Berlin, but no consensus was reached.

RORY HOWLETT

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مكتبة الأصيل

LETTERS TO THE EDITOR

RESPITE FOR THE DOLLAR

Less than 24 hours after the Group of Seven nations renewed their commitment to exchange rate stability in Washington the element of restrained self-congratulation in their communique begins to look a little like complacency. The US trade figures for February announced yesterday were considerably worse than the markets had been hoping and the dollar immediately dropped sharply.

The G7 central banks evidently had some advance warning of the hurricane which was about to hit them and, having allowed the first squalls to blow themselves out, hit back with carefully co-ordinated intervention. They could hardly do less after the ringing declaration of the previous day. But it was reassuring to see the G7 signatories prepared to put their money where their mouths are.

If the G7 are guilty of complacency it is probably in relation to the longer term rather than to yesterday's news. The February deficit of \$13.8 billion was worse than the January figure of \$12.4 billion and worse than the markets expected, but there is still a fair chance of some improvement during the next few months. The volume of goods exported by the US has been improving relative to the volume of imports for many months and it is only the adverse price at which they have been sold as the dollar has weakened which has kept the deficit high in value.

The longer the dollar remains relatively stable the more chance there is of the improvement in volume being reflected also in value. Meanwhile the Japanese economy continues to expand rapidly, increasing its demand for imports. West Germany shows signs of coming out of the doldrums while there is also some sign of a complementary slowdown in demand in the US.

All this is movement in the right direction.

But it is unlikely to be enough to bring the world economy back into anything like balance. The advice in the latest *World Economic Outlook*, produced by the International Monetary Fund, should not be ignored. On current policies, says the IMF, the imbalances will remain unsustainably high. A further fall in the dollar without changing other policies will not be enough to secure an improvement. The US should therefore take "a considerably more ambitious approach to fiscal policy".

Unfortunately an ambition to cut the US budget deficit, which can be represented as a policy of tax increases, is not the surest way of being elected President of the United States. Until the election is over in November it is unrealistic to expect any further progress in matching the borrowing demands of the US to its domestic savings.

This appears to have been accepted by the G7 participants, and perhaps by the markets too. There is no sign now of the mistrust and impatience which was evident particularly between the US and Germany for much of last year and which was the spark which lit the fire under the world's stock markets in October.

It is a symptom of the success of the G7's stabilization policies that no one was expecting any policy changes from the meetings in Washington this week and were not therefore disappointed when there were none. The plan to take more account of changes in commodity prices in steering currency co-ordination is a welcome safeguard against a worldwide acceleration in inflation, but it is little more than a formalization of existing practice.

The status quo will not, however, be an adequate policy prescription for ever. Without further changes pressure is likely to resume on the dollar. If not now, then later.

DUKE'S NUKE

Governor Michael Dukakis, of Massachusetts, has been censured for being unclear about his foreign policy. His idea of foreign policy, it has been said, is a negotiation with the Governor of New Hampshire next door.

In particular, the West Europeans had wanted to know how far a Dukakis Administration would be committed to them. Well, campaigning in the New York primary, Mr Dukakis this week talked about what he would do in the event of a Soviet invasion of Western Europe. The gist of his reply was that "we've got to be prepared to use nuclear force". Assuming that such action would immediately make American cities vulnerable to nuclear attack, one cannot be more committed to Western Europe than that.

Mr Dukakis — "Duke", as his advertising men like him to be known in their efforts to give him some glamour — also said "I don't think this is going to happen". And he explained that nuclear weapons would be used "obviously with great restraint, only when there seems to be no other alternative". His candour, then, was accompanied by an escort of qualifications.

None the less, one of his rivals for the Democratic nomination, the young Senator Albert Gore, seized on the remarks as an opportunity to appear more mature and statesmanlike. He said that Mr Dukakis had been "unwise and irresponsible". Presidents and presidential candidates had traditionally avoided the trap of "spelling out in advance" when the United States would use the "awesome power contained in our nuclear arsenal", added Mr Gore.

If such a tradition exists, it is because there are limits to how far even presidents and presidential candidates are prepared to state the obvious. It cannot be because of the danger of "spelling out in advance" to the Soviet Union anything it did not already know.

All Mr Dukakis did was to state what had been NATO nuclear doctrine for nearly 40 years. That doctrine was at first founded on John Foster Dulles' "massive retaliation". The invading Soviet conventional forces, if they started winning, would have to be met by Western nuclear weapons, since the Western governments — not being the rulers of

regimented societies — would not have as many conventional forces as the Soviet Union.

Later, in the early 1960s, NATO planning was based on Mr Robert McNamara's "flexible response". NATO should have enough conventional forces to delay as long as possible any resort to nuclear weapons — though nuclear weapons would have to be resorted to if the conventional line could not hold.

NATO never has had enough forces to deter the Soviet Union conventionally. The Western alliance has always proceeded on the assumption that the threat of nuclear war is the real deterrent to a Soviet invasion of Western Europe. There has been a line of continuity running from Dulles through Mr McNamara to, it seems, Mr Dukakis.

Whether any of them really meant it — whether any adversary is ever deterred by the other side threatening to commit suicide — is another matter. All that can be said for sure about it is that a terrible doubt is raised in the mind of the would-be aggressor. Over the years this doubt has, we believe, deterred the Soviet Union from doing what has been within its conventional power — and will remain within its power until Mr Gorbachev dismantles the regimented society. That is, to occupy Western Europe.

In envisaging circumstances in which he would use nuclear weapons, Mr Dukakis was only saying the orthodox thing even though it may well be an orthodoxy in which neither he, nor most of his fellow American politicians believe — particularly in his party. This made Mr Gore's pretended concern even more unconvincing than it already was.

Mr Gore's use of the issue was worrying none the less. He is supposed to be the right-winger in the Democratic race — the realist who believes in "strong national defence", as opposed to liberals such as Mr Dukakis. But he calculated that some voters would simply have been worried to hear a candidate talk about being ready to use nuclear weapons.

Most voters would not have known that Mr Dukakis was simply enunciating the orthodox. Faced with the chance of a few more voters, Mr Gore did nothing to enlighten them — regardless of his previous posturing as the tough one. Let us hope he does not get them.

Quoting to effect

From Mrs Beryl Stafford Williams Sir, There have been several references in the past few weeks to Eliot's *The Waste Land*, and those with responsibility for Government departments have been perceived as being dogged by "the third who walks always beside (them)".

Surprisingly, this bold sortie into the "luxury" of literature has not, to my knowledge, led to further venture — from Eliot's waste land to Lear's heath.

Assured as we are of a superfluous in the Treasury coffers, we may, in this week of new social security arrangements, feel that Lear's prayer for "poor naked wretches" has a special force:

... Take physic, pomp;
Expose thyself to feel what
wretches feel,
That thou mayst shake the superfluous
to them

And show the heavens more just.
In the opinion of A. C. Bradley (still "the third who walks always beside" teachers of English) this is one of those passages which make one worship Shakespeare.

Yours faithfully,
BERYL STAFFORD WILLIAMS,
Llywenan, Sliwen,
Bangor, Gwynedd.

Art in hospitals

From Mrs Valerie Pitt-Rivers Sir, Museum and gallery stores are full. The walls of hospital corridors, wards, and day rooms are often bare.

Many health authorities have voluntary projects to raise money

from outside the NHS to provide a variety of suitable works of art for their hospitals, buildings which are public, in constant use and often in need of enlightened decoration.

This health authority has a small number of works on loan from the Arts Council and South West Arts and has borrowed old photographs from the county museum for display in a ward for elderly patients.

It is unrealistic to expect all hospitals to be filled with specially commissioned works of art and although we will continue to seek funds for new purchases we find that loans can be a temporary or longer-term solution.

I am sure that many people would welcome the opportunity to see some of the "lost" works loaned for exhibition in hospitals throughout the country.
Yours faithfully,
VALERIE PITT-RIVERS
(Vice-Chairman),
West Dorset Health Authority,
Dorset County Hospital,
Princes Street,
Dorchester, Dorset,
April 5.

Polar journeys

From Mr John Wright

Sir, Recent reports and comments (including Bernard Levin's on April 4) on the latest attempts to reach the North Pole have interested — not to say astonished — those of us who took part in polar exploration between the two world wars, mostly as young graduates before starting our careers. The

modern objectives seem so little worthwhile and gimmicky, the efforts made and hardships experienced so unnecessary, and the attainments so trivial, while the expense, danger, and size of the aerial rescue services astound us who often had no back-up at all.

We took radio receivers for time signals, but no transmitters except at the base. Had anyone been listening there was nothing they could do to help us, with the nearest aircraft often thousands of miles away. We set out with boats or sledges in two or three-man parties, with our own supplies and with specific scientific objectives; and either we came back or we didn't.

Nearly all of us did, thanks to good equipment, thorough training by comrades with previous experience, and sensible objectives. These expeditions, led by people like Wordie, Binney, Watkins, Rymill, Glen, Shackleton and Lindsay, achieved real exploration in that they added to our knowledge of these regions in a way that few of the modern adventurers do.

The modern expeditions rely on mishaps and adventures for publicity and funds; and some of their exploits make marvellous television; but since they add very little to our knowledge of the area they traverse they are not explorers.

Yours faithfully,
JOHN WRIGHT,
Webbs Farmhouse,
West Wittering,
Chichester, West Sussex.

Wages, inflation and complacency

From Mr D. H. Robinson

Sir, John Banham, the Director General of the CBI, should stop bleating about "how the strong pound hits business" (report, April 7) and stop making excuses for bad business.

He complains of the uncertainty created by currency changes. But it is just as uncertain for our rivals. He complains of the strong pound, although the most successful trading economies, West Germany and Japan, have demonstrated that strong currencies need not be a barrier to successful trade. Again and again they have both made clear that punctuality of delivery, reliability and quality are far more important than a few percentage points in price, which all the recent upward movement in sterling implies.

For some years West Germany and Japan had zero or even negative inflation and falling unit labour costs. In Britain we have been stuck with about 4 per cent inflation for several years which,

by comparing with our rate in the 1970s, we complacently regard as good.

Mr Banham should tell his members to stop paying wages above the rate of inflation unless, through rising productivity, it leads to lower unit costs. Clearly the 8.5 per cent increase in earnings last year, which Mr Banham defends, was not accompanied by a corresponding increase in productivity.

He should remind his members that among the developed nations in the West we persistently remain at, or near the top for wage inflation and near the bottom for investment. When the CBI do something about that, instead of seeking a form of "protection" by having an artificially low exchange rate, they will be in a better position to advise the Government.

Yours faithfully,
D. H. ROBINSON,
12 Meadow Road,
Croydon, Surrey.

Erosion of research

From the Chairman of the Humane Research Trust

Sir, Sir George Porter highlights the starvation of scientific research by the Government, and the House of Lords [Select Committee] on Science and Technology calls for more help from legacies and other charitable support (reports, April 11).

This particular charity supports many original research programmes which have a design which will replace animals as the laboratory tool with other technology. It is an aim which receives encouragement from both academia and industry and recently we responded to an invitation from the Royal College of Surgeons to mount a conference there with distinguished speakers on this theme.

We are fortunate to have amongst our trustees some who are familiar with the financial markets of the world and we run our affairs with a large proportion of volunteers. In other words, tight financial control and economy.

At the moment we have under consideration grants of which a large part will be whittled away by administration before the researcher can roll up his or her sleeve.

We grant, say, £10,000. The university office creams off 40 per cent for banking the money. Since the same job being done in London costs 20 per cent more (by weighting allowance) than in other parts of the UK, our £10,000 becomes £5,000.40p exactly.

We have to accept the world as it is, although we are trying to influence change and we will continue to help. But if the clerk is worthy of his hire, does he really need 40 per cent for some modest paper work?

Sir George and others should turn their gaze on how the money is being used. The hapless researcher is awkwardly placed to complain.
Yours faithfully,
R. MACALASTAIR BROWN,
Chairman,
The Humane Research Trust,
29 Bramhall Lane South,
Bramhall, Cheshire.

Cameras in court

From Mr David Boisseau

Sir, The desire of television executives to stick their cameras into every aspect of our lives — in the public interest, of course — is becoming intolerable. Now, we have Miss Liz Forgan, of Channel 4 (April 9), wanting cameras in the Old Bailey. In the public interest, of course.

I heartily disagree. After 30 years as a programme director I am sure of one thing: television has no special concern for the truth. The contents of all current affairs and documentary programmes are a matter of selection. However hard TV people try to be honest and dispassionate (and some try very hard — others don't, of course) the result must always be partial. Bits of truth, bits of falsehood, bits of irrelevance, lots of emotion. The purpose is always entertainment.

And consider the changes in behaviour that would result (as we shall see in the House of Commons). Counsel on both sides tacitly appealing to the wider audience beyond the court; members of the jury picked out on camera ("millions of people await your verdict") and even the judge feeling the pressure to pass a "popular" sentence.

No, no — nightmare time. Keep the cameras out of court!
Yours faithfully,
DAVID BOISSEAU,
3 Dale Cottage, Lower Road,
Forest Row, Sussex,
April 11.

From his Honour Lyall Wilkes

Sir, The mistake Liz Forgan and other TV executives make is to think that all life is suitable material for television, from sexual intercourse to the cameras in America focused on the electric chair, to film executions.

She says that "television cannot any longer be patronised by the

judges as mere entertainment". I would say that there is nothing more about entertainment, but there is a question mark against the coarseness of language and morals of so much "entertainment" on television.

There is little insight by television executives of the damage television is doing. It would be surprising, for example, if the sexual behaviour displayed on TV was not reflected in the way children are treated, but instead of television recognising it is part of the problem, television poses as part of the remedy.

It is difficult enough at the moment to prevent juries being subverted by criminal elements. If trials were televised, the pressure on jurors to return the verdict wanted or which was thought to be popular would be much increased; and since media people have never been slow to substitute their own views of guilt or innocence for the jurors', if trials were televised they would be able to constitute a permanent television Court of Appeal.

I am sure it would make for much "good television", but what would it do for justice?
Yours faithfully,
LYALL WILKES,
The Glen-Gair, Oyle,
Newcastle upon Tyne,
Tyne and Wear.

Whistle alert

From Mr Owen Curtis

Sir, In all the talk about reducing crime I do not hear recommendations for the old police whistle.

Its use today may not alert police, but it may warn neighbours. No criminal likes witnesses.
Best wishes,
OWEN CURTIS,
53 Victoria Avenue,
Hull, Humberside,
April 7.

Through the fog

From Dr Alfred Cassell

Sir, Mr Tandler's report (April 11) said that London's police are to measure the comprehensibility of their prose by the "Fog Index" (relating the number of sentences to the number of words and their syllables). If one takes 100 words from his report, and I tried paragraphs six to eight, one gets an index of 28; but he says 23 is typical of the impenetrability of an economics textbook.

I was somewhat puzzled, but then to my joy discovered today is a Levin day, so I hastened to the middle pages. Imagine my con-

cern when it became apparent not only that the inimitable Mr Levin's first 100 words contained only two sentences, but that he had had the effrontery to use no fewer than 14 words of three or more syllables. His index is a staggering 64.

Today is the 11th and not the 1st of April, but Mr Tandler's report is perfectly clear, and the Maestro's article is not only clear but a positive joy to read.

Yours faithfully,
ALFRED CASSELL,
7 Little Gaddesden,
Berkhamstead, Hertfordshire,
April 11.

On the brink

From the Reverend N. Stacey

Sir, Islington's Director of Social Services is right to stress (April 11) the importance of prompt police checks on those seeking employment as residential social workers.

He is wrong to associate this with the conviction of a Kent social worker with previous criminal offences (none of which was sexually related) for having sexual intercourse with the under-age girls in council care.

The issue this tragic case raises is whether social service departments can ever take the risk of appointing carefully-screened ex-prisoners to care for vulnerable clients. I believe they can and hope they will, not just for the sake of ex-prisoners seeking honourable work but because they are often the best people to get

through to delinquent teenagers teetering on the brink of a life of crime.

Kent social services has an outstanding record in keeping young people out of care and out of the penal system by offering imaginative and creative community-based alternatives to magistrates and judges.

One disaster — appalling as it was — should not be allowed to undermine the policies and the magnificent work being done by hundreds of dedicated staff working with deprived and delinquent teenagers.

Yours faithfully,
NICOLAS STACEY (Director of Social Services, Kent, 1974-1985),
The Old Vicarage,
Selling,
Faversham, Kent,
April 12.

Medical view of organ requests

From Sir Raymond Hoffenberg and Mr Ian S. Bailey

Sir, We have read with interest the article by Mr Ross Taylor (Second Opinion, April 7) about kidney donation in which he claimed that the recent report of the Conference of Medical Royal Colleges on organ donation did not recommend "required request" because it seemed afraid of antipathy within the medical profession.

This is by no means true. The report accepted the need for more kidney donations, appreciated the good will of the public toward organ donation and the comfort the act could give to a bereaved family. It was not convinced that legal request had proved

successful in increasing organ donation in the United States, nor that it was necessary in Britain.

Much could be achieved by a more positive approach to transplantation, including better education of doctors and nurses and the provision of more information about its successful outcome.

The report recognised the important role of transplant co-ordinators and the need for facilitating arrangements for transplantation. Its most important recommendation was an audit of the outcome of brain-stem deaths in hospital in terms of organ donation and the reasons behind low donation rates. This audit should itself act as a powerful educational exercise.

It is noteworthy that the transplant rate for kidneys increased by 40 per cent after the showing in January of the BBC special *That's Life* programme, which highlighted the benefits of successful surgery. This supports the view of the working party that positive efforts to educate doctors, nurses and the public could achieve substantial and satisfactory increases in donation without the need to impose required request.

We hope the Department of Health will rapidly implement the recommendations that were made by our working party.

Yours faithfully,
RAYMOND HOFFENBERG
(Chairman, Working Party on the Supply of Donor Organs for Transplantation),
IAN S. BAILEY
(Honorary Secretary),
As from: Royal College of Physicians,
11 St Andrew's Place,
Regent's Park, NW1,
April 12.

ON THIS DAY

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THE ARTS

TELEVISION

Values related

Yesterday's television gave us very different lessons in relative values. First, in that entertainingly instructive children's programme *Erasmus Micromon* (ITV), Erasmus, the easy-going space travelling sage played with a touch of street as well as cosmic wisdom by Ken Campbell, took us to see Albert Einstein.

Then, in *Who Needs a Machine Gunner?* for 40 Minutes (BBC2), Nick Gifford gave a different perspective on the long-term unemployed, by concentrating on a family of five (with one on the way) living in a Herefordshire council house five miles from the nearest town, on £75.75 a week.

Various people in different coordinates of space and time have tried to explain to me at least one of the theories of relativity (Albert, in his almost infinite wisdom, had two) — most memorably the Monroe-like actress in Terry Johnson's *Insignificance*, with some prompting from an Einstein look-alike professor.

Einstein on ITV turned out to be that most Einstein-like of Einstein look-alikes: grandad from *Bread*. Ron Forfar replaced Scouse with (relatively) teutonic vowels and, addressing a bright young audience, he of course needed, unlike *Insignificance*, no toy trains to aid his theoretical analogies: so I had a little difficulty following him.

What was shocking for Londoners about 40 Minutes was not just the relative poverty of the Talbot family, but also how a desirable, picturesque setting, for people in their position can become such a confining, emotionally disturbing burden.

This was true even though the father, Colin, a former soldier, had recently managed somehow to buy a car, so he no longer had to walk five miles to the shops. One shot — apparently from a helicopter — confirmed our privileged view, compared with Colin's, as he trudged to the telephone box to be disappointed in another job application.

Happily, he, like Erasmus, ended up with a new job. Colin's was in a local factory. Erasmus's was as Inspector of Black Holes for the Universal Space Federation. But then, he has always been able to get about a bit, relatively speaking.

Andrew Hislop

Irving Wardle reviews the opening main house production of the Royal Shakespeare Company's Stratford season

Grotesque mismatch

THEATRE

Much Ado About Nothing
Royal Shakespeare Theatre
Stratford-upon-Avon

Life, as well as the theatre, has its character parts; and, at the risk of insulting Di Trevis's two principal actors, it seems that one aim of her production is to hold out some hope to nature's wallflowers.

We are used to accepting Beatrice and Benedick as a double act of fabbed wit, without asking why they settled for this routine in the first place. As Miss Trevis unfolds their story, it appears as the kind of armour-plating often adopted by sexual outsiders, in the poignant line of Victoria Wood: "Comedy this morning, cocoa tonight".

Thus, while Leonato's mansion is thronged with beauty and gallantry in the supporting roles (with the Claudio and Don Pedro of Ralph Fiennes and David Lyon verging on Ruritanian glamour), the centre is occupied by two specialists in the comic grotesque.

Benedick, in the person of Clive Merrison, is a spindly, balding joker, who gives the impression of grasping his teeth even when in full satirical flow. Left alone, he has a hard time choking down Beatrice's latest quips; and is apt to explode in her face ("Harpy!") even in company.

She, as played by Maggie Steed, is on the point of settling into the role of an eccentric maiden aunt. Everything about her, from her



Maiden aunt meets spindly joker: Maggie Steed and Clive Merrison engage in some comic sexual warfare

swooping movement and exaggerated handling of long swishing costumes, to her advance on the mocking girls with a bared hatpin and her trick of winding up each anti-marital fusillade with a dazzling mirthless grin, comes over as a mocking parody of the feminine arts. It is as though Chekhov's Charlotta were attempting the role

at one of the Ranevsky's parties. The show opens with the distinctly Chekhovian sight of the Messina idlers loitering about in elegant *deshabille* in Mark Thompson's empty while conversing with Antony Brown's Leonato putting on a display of authority, and ruining the effect every time he wags his finger.

This promising opening is then demolished by the arrival of a helicopter, depositing Don Pedro's forces, costumed in tin hats and hideous knee-length shorts; whereupon it becomes clear that we are in for an evening of opportunistic gags, uprooted from time and place.

There are some good new sight

gags: Benedick, for instance, impersonating old Antonio in the masked dance (to Dominic Muldowney's updated Byrd).

The role of Dogberry is the personal property of David Waller, and it is a great pleasure to see that great family-butcher face clamp into immovable self-satisfaction, as he delivers each nonsense proverb; not to mention lovely new additions, like his missed-handshake routine with Leonato.

His costume, like the rest of the Watch, though, is all too clearly meant to indicate that it is "fun time": an array of silly hats and one-piece black slumberwear. And, for every new joke the production introduces, it misses an old one. In the cavedropping scenes, for instance, not only is there nowhere to hide, but the groupings mask the reaction of the listeners.

Meanwhile, the central partnership has moved from sexual warfare to the declaration of love. Merrison responds to this with a fire that carries him through the challenge scene, to a well-placed anti-climax, where he breaks down in delivering his proposal to Leonato.

What fails to materialize is any transformation of the lovers. They look as they looked to begin with, a mismatched pair, of whom Touchstone would have had some pointed things to say.

There is, perhaps, more substance in the production's feminist angle; as where Hero (Julia Ford) collapses in church and is immediately surrounded by a flock of sympathetic girls, while the men all retire to nurse their personal grievances.

literature to breaking point.

Played on a neo-Gothic ruin (by Kenny Miller) which sets the tone both for Harriet's suicide in the *Serpentine* and the Venetian disasters, Max Stafford-Clark's production is less feverishly dream-like than the 1984 version.

It couples an electrifying Shelley, by Mark Rylance (who encompasses fiery revolutionary austerity with a giggling taste for children's games) with a Byron of built-like vitality from Nigel Terry; taken together, it is a partnership of air and earth.

The roles of Mary Shelley and Claire Clairmont are less showy; but, in the performances of Sian Thomas and Lizzy McInerney, it is they, rather than the men, who grow up.

I.W.

Bloody Poetry
Royal Court

The first production in the Court's Howard Brenton season (to be followed by *Sore Throats* and *Greenland*). *Bloody Poetry* first appeared in 1984, the same year that saw the publication of Paul Foot's *Red Shelley*.

In the light of that powerfully argued polemic, some people saw Brenton's reworking of the poet's disgraced flight from Castlereagh's Britain as an analogue for the alienation of the modern left. (It was at this time that the whole generation of "public playwrights" were abandoning Thatcher's Britain for other times and places.)

The play was also seen as a scathing comment on committed artists who go into

Life with the lions

snugly upholstered exile and turn their politics into literature. Then there were the feminists, for whom the message lay in the contrast between Shelley and Byron's eruptions over the Peterloo Massacre and the defection of Wordsworth, while leaving a trail of dead wives and children in their idealistic wake.

All these meanings are contained in the title. But Brenton himself says he wrote the piece to celebrate the exiles' attempt to invent a new kind of family life. They failed, but I love them for their failure.

That is the key. The fact that you can

extract various diagrammatic patterns proves that the play has been fully imagined.

Brenton reserves his own polemic for the figure of Poldori (Robin Hooper), the spirit of English public opinion. But there is no judgement on the principals, whose clashes and affections are evoked with the utmost sympathy.

They are first seen as a self-conscious literary group, watching each other and preparing to record their own stories for the benefit of posterity, and then inflicting such pain on each other as to test the value of

French accents

DANCE

Compagnie Anonyme
The Place

ual in appearance and personality. Their gestures range from the boldly heroic to small detail; small jumps and heavy falls feature in the dances, accomplished with emphatic clarity.

The costumes, by Corinne Gouttes, suggest perhaps a more mythological character for the opening woman, draped in a white bodice and two-tiered short skirt, than the others, in something nearer street clothes. Lighting, by Jean-Louis Aichhorn, discreetly aids a visual presentation that makes most of minimal expenditure.

I imagine that Christophe Zurlüh's music was specially written. Its simple rhythms complement the action and underline the shifts of emphasis at the beginning of each section.

John Percival



Intense whirlwind: Gianni Marchig's pencil self portrait in 1921

Restored to life

GALLERY

Giannino Marchig
Michael Parkin Fine Art

drawings, which closes today at Michael Parkin Fine Art, does make it very hard to understand how he could be so completely forgotten in his own lifetime.

In style he was poised somewhere between the academic and the advanced; he seems always to have stayed true to his origins, which were to be found in Munich teaching just before the First World War.

In portraits he began somewhere around later Sargent, and later telling simplified. In his decorative work and figure compositions he was recurrently fascinated by the masks and *commedia dell'arte* costumes of Venetian carnival, but observed with no archness or antiquarianism.

The London show includes some admirable early portraits, and some sketches for murals from the later Thirties. But perhaps the most remarkable part is the drawings downstairs.

Obviously Marchig was one of those lucky enough to be born with a pencil in their hand. His slightest line immediately creates a person or a place, whether it is an intense self-portrait or a curiously Viennese reclining nude in an interior which appears to have been decorated by the Wiener Werkstätte, or the finely economical landscapes of Sienna, one, at least, done when he was only 10.

It is a great pleasure to be able to add, if belatedly, Marchig's name to the roll of honour of 20th century Italian art.

John Russell Taylor

Lontano/Martinez
Bishopsgate Hall

Peter Paul Nash's new work, *In a Wall'd Garden*, given its second performance in this last-minute concert by June Manning and Lontano, does not simply set a text (the poem by Tennyson) at rest, but refines and refreshes it. It works, built solidly on an opening and recurrent motif of a chattering rising scale, is rich in onomatopoeic allusion. Indeed sometimes — at the very end, for instance, when the "sparrow's chirrup" gives rise to pointillistic writing — Nash comes dangerously close to salivary in this respect.

He has nevertheless succeeded in turning some rather melodramatic Victorian verse into something more subtly expressionistic. In the poem, the emotional are gradually tightened as depression is layered by lost love feeds on itself to the point of an unmanageable desire for self-obliteration.

Nash increases the tension and re-paces the poem deftly using fairly traditional means, for example by progressively shortening the instrumental interludes: between verses until the final pair, or by introducing obsessive word repetitions and extravagant, neurotic melismata into his expressive vocal line.

Nash's scoring, for string trio, piano, flute and an effective smattering of percussion, is resourceful and simultaneously rich and transparent. The ease with which he blends together different kinds of textures speaks at the very least of a mature craftsman with considerable and original lyrical gifts.

Jane Manning sang the work vividly, while Odaline de la Martinez conducted a performance which sounded as expert as all those, surrounding Nash's piece, of Ravel's Sonata for violin and cello and that wonderful miniature harp concerto, the Introduction and Allegro.

S.P.

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Touching 70:
still in control

JAZZ

Art Blakey
Ronnie Scott's

It is hard to believe but, according to the record books, Art Blakey will be 70 next year. How, I wonder, will America celebrate the event?

Even something as modest as a postage stamp would probably be too much to hope for, so perhaps we should settle for seeing him continue at the drum-kit with the current band of young Jazz Messengers, now in residence in Soho for a fortnight.

With a front-line including the trumpeter Philip Harper and tenor player Javon Jackson, the latest sextet is a shade more accessible than the Terence Blanchard-Donald Harrison formation. This was apparent after the bluster of the opening quarter of an hour, when the soloists occasionally seemed burdened by the weight of the entire Messengers tradition.

It must be extremely difficult for Harper or Jackson to establish their own personality when they know they are following in the footsteps of a Lee Morgan or a Wayne Shorter.

Clive Davis

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Stuart and Rosemary Bexon at home, with a model of Mole Manor. "The house is so calm and light, you get a tremendous sense of tranquillity"

Subterranean chic

They have run the lawnmower over the roof and the vacuum cleaner down the walls: now Stuart and Rosemary Bexon are ready to show their environmentally acceptable house. "Look out for parking cones," Stuart says, and rubble that's where the house is. Visitors are always missing it.

No wonder. They expect to see it sticking up above the ground as houses usually do. Stuart and Rosemary Bexon's home is underground.

They have named it Mole Manor and it has taken them four years to build. Now it is finished, apart from some outer cosmetics like planting bushes and wild meadow flowers on the roof, so they are opening it to "the media," as Stuart says, on April 23, because that is St George's Day and their first wedding anniversary.

There has been plenty of curiosity about the place, so much so that coach drivers come past and stop so that their passengers can stare and they get a few letters a week from people who want to build underground houses.

The Bexons' detached three-bed, all-mod, conch, burrow is in Westons. The village is a row of chocolate-box Cotswold cottages, a few miles from Tetbury in Gloucestershire. As a bachelor with a dog, Stuart lived in one of them.

When he had to move he applied for permission to build a new house. "No," they said. He tried again. "No," they said. He could build one underground. "Yes," said the planning department. What a good idea. They wished more people would bury their houses.

A local farmer helped him shift 200,000 tons of earth and stone to make a big hole at the edge of a field where it slopes to the lane. Arthur Quarmby, an architect who lives underground in a Cotswold, helped with plans. Then, when he had put a six-inch concrete floor on the bedrock (no need for foundations) Stuart met Rosemary.

The Bexons, pushed underground by the planners, have a house that is the envy of their neighbours. Yvonne Thomas reports

They were married last spring and moved in while still building. Rosemary is expecting a baby in June. The trouble is that the house is not baby-proof — the lack of doors is the main problem — but they like it so much that they have already decided that if they need to move, they will build another, bigger burrow.

Some people cannot understand the attraction of living with the daisies on top. Stuart, a market consultant, is forever saying, "Ah! That's where you fall into the same trap as everyone else" to sillies who say that it must be dark living underground.

"What you forget is that light comes from above," he says. The burrow is suffused with light from a central dome set into the seven-inch concrete roof, and from eight smaller domes, one over each of the sloove-rooms at the perimeter of the circle.

The Bexons call the entrance the atrium: it feels more Roman than mole-hole. The central living room is an 18 ft raised circle with four Doric pillars. There is a walk area around it, all tiled in Spanish terracotta, then up two steps into each of the "rooms". "I don't fall into the trap of thinking there are rooms," Stuart says. So they are alcoves, through two-foot thick natural Cotswold stone arches. Each is carpeted in pink to tone with the tiles and has cream-coloured curtains across the entrances which can be drawn for privacy.

Looking from the entrance, past the pillars, you see the turquoise pool, just big enough to do a stroke or two. From the dome the late afternoon sun pours on to the water like a spotlight. "Yesterday we were in the pond with a glass of champagne in our hands, then we got out and into the whirlpool bath and had more champagne, and all the work seemed worthwhile," Rosemary says. Stuart would not estimate costs, nor has he counted the hours he put in. Besides, the real world seems a long way off.

"One of the nicest things about living here is that it is so quiet," says Rosemary. "The house is so calm and light, you get a tremendous sense of tranquillity. The view from the dome is of birds and butterflies, the clouds and sunsets, then the stars and moon that can light up the house at night."

At one glance you take in the sitting room with open fire blazing, a white kitchen and dining area, fitted with hoods and ovens and an extractor that takes away the cooking smells but retains the heat. There is a study, and three double bedrooms, one with a bathroom leading off and a double whirlpool bath.

The sense of air and light comes partly from the height of the living area — 10 ft going into another 7 ft of dome. All the walls are Cotswold stone taken from the site. You might think it could be damp and chilly... another trap the ignorant fall into. "It's like living inside a night storage heater," Stuart says. "With the earth outside, there is a high thermal mass for insulation and the fabric of the house holds the temperature."

The heat pump takes air from outside and converts it to luke warm water (an immersion heater boosts it if necessary) and plastic pipes run it under the floors.

Bath University is monitoring temperature and fuel costs. Despite the open pool they have found there is no damp, and keeping 70°F evenly through the house costs only 25 per cent of what it would be above ground. Sitting under the moving clouds you can understand why the Bexons and the dog look so pleased. Stuart calls it a 21st-century house.

Well, what about opening windows? Another trap. All the domes can be ventilated: you pull a cord and they sound like bathroom ventilators. The front and back door ("to the gin and tonic terrace") open, and so do small windows where the ground level falls away.

So what's the matter with the place? Even the villagers love it.

Well, if you want to be particular, you can see into all the alcoves at a glance, so they have to be kept tidy or the curtains drawn, which would spoil the open look. "Next time I want more storage space," Rosemary says. "There's no attic to take the junk, so we ought to have more cupboards."

What about dust? "I just run the Hoover over the walls. There's hardly any housework. We wash the domes occasionally and mow the roof."

When the baby comes (it is going to be delivered at home) it could get noisy. The house was planned for a bachelor. Next time they will build a children's burrow, and a study end, and a bigger pool, like the one the architect has in his subterranean house. And they could make a good case for burying the next New Town.

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The right friend?

Ewa Luszczek is a short, compact woman with an air of authority and a nicotine habit. There is a certain look to women's magazine editors and Mrs Luszczek, who is editor of *Przegląd*, the largest women's magazine in Poland, is doing her best with a capacious handbag, matte foundation, negative print dress and oversized blazer. In pre-glass days she would have accessorized her gear with a small party badge in the lapel of a sombre suit.



BARBARA AMIEL

She fit up a cigarette the minute we sat down to lunch earlier this week. I do not smoke myself, you understand, but her translator showed me the appointments Mrs Luszczek was carrying out during her one-week visit to London and I thought it called for far stronger a stimulant than a bit of tar and poisonous alkaloid extract.

She was off to chat with the Equality Officer from the National Union of Journalists, the Women's Rights Officer from the National Council for Civil Liberties, the senior Press officer from the Equal Opportunities Commission, the President of the National Council of Women, the Secretary of the Women's National Commission, the Secretary of the TUC Women's Committee, Joan Roddock, MP, and a full house of professional women ranging from the BBC to *Women's Own*. Enough to make one nostalgic for the kitchen and limited franchise.

Who could have come up with such a schedule, I puzzled. It turns out to be the Foreign Office, "is targeted to a guest of the government. We are looking for opinion moulders who can publicize British views and policy and interpret British interests."

Was Mrs L such a person, I wondered? I telephoned a Polish writer still resident in Warsaw and asked him about *Przegląd*. "Oh yes," he replied. "This magazine is the party magazine that is used as soft propaganda to create the New Woman socialism requires. Take a look at who owns it." The owner of the magazine is the Worker's Co-operative Press, which turns out to be the only co-operative created by the Polish party. There is only one member in this co-operative and that is the Central Committee of the Communist Party.

Meanwhile, Mrs L was handling me copies of her magazine, *Przegląd*, translated as "She-Friend" and the magazine has a circulation of two million with a readership, she said, of six to eight million. "What are the concerns of Polish women?" I asked her. She explained that they were interested in everything and that she did not believe that there were such things as "women's issues".

Last month the Centre for Research into Communist Economies published a report by an independent group of

economists in Poland which described the near-chaos of shortages, poverty, and decline in the Polish economy. The report, "Poland: stagnation, collapse or growth", pinpointed the cause as the centralized, cost-indifferent planning of socialism. I asked Mrs L about shortages in Poland. "There are none," she said.

I called a mother who is raising her family in Warsaw. The meat ration averages out at 5lb a month per head, she said, and that 5lb includes bones. The meat available officially, anyway, she said, is dreadful. The queues are endless.

Still, it is not surprising that the representative of a country

I asked Mrs L about shortages in Poland. "There are none," she said

may wish to put as good a face on its system as possible. After all, it is hard to say how Poland might have developed if a normal liberal democracy had taken root rather than the progression from semi-fascism to communism, along with all the ravages of war and occupation. But what intrigues me now is the view "opinion-moulder" Mrs L will give of Poland to the British representatives she meets and what view of Britain she will give to her six million Polish readers.

Her magazine takes a fairly hard-line approach to issues — as befits a publication which proudly lists among its friends the Polish Propaganda Minister and the Deputy-Chief of Disinformation and Psychological Warfare. In an article about women working in industry — where exposure to harmful substances such as mercury and extremes of temperature are common — there are only the vaguest references to such nightmarish working conditions. A column of which Mrs L is particularly proud, called "Foreign Orphans", is a morality tale about the dreadful parent who leaves Poland for the material lures of the West. The mother is described as a "whore" who gets a boyfriend in Canada and causes her daughter in Warsaw to take an overdose of pills.

Mrs L's editorial stance has been consistent. In December 1981, martial law was declared in Poland after the heady fling with a legalized Solidarity. Twelve hundred Polish journalists resigned, including members of the Communist Party. Mrs L did not. "I was a radio commentator," she said, "and I tried to explain to listeners that what we started doesn't lead anywhere. What we needed was peace and work." I wondered how successful this nonsense approach had been with the various members of Britain's thriving female industry. Had Mrs L and the EOC officer drunk a toast to get British women an equal opportunity to work in our mines?

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"What did you talk about with Mrs L?" I asked Ms Irene Harris of Network, a non-profit organization of upper management professional women. "We discussed my work," she said. "But you know, she wanted to me encourage, which is why I think she invited me over there. She's paying and I've got to try and get a private company to invite her back here."

"She asked me about the condition of women," said Kay Carberry, Secretary of the TUC Women's Committee. "And I discussed working conditions and things like childcare, which we see as an important factor for the reason women are in low-status jobs."

"What do you think of the situation of women in England?" I asked Mrs Luszczek. "Before coming here," she said, "I would have complained about our childcare situation. But it is unimaginable that such a condition as what exists in England would be allowed to exist in Poland. I think I must stop complaining to our government after seeing how shocking it is here."

"Will you write about what you have heard?" I asked Mrs Luszczek.

"Of course," she replied. I sensed that the Polish embargo on such information as the mountains of meat and butter sent to them by the EEC would continue.

The Foreign Office is very hopeful about Mrs L. "She is such an open-minded woman," said officer Liz Hull. "Clearly journalists are important multipliers," said Peter Boon of the Sponsored Visitors programme. "We hope she will put over our policies and be a valuable tool in interpreting British interests."

In a run-down room in SE17, a handful of volunteers put out *The Voice of Solidarity*. They receive no money from our government. In Poland itself, where the press is remarkably free, any number of journalists from papers critical of the government could be helped by trips to London. Still, I suppose this muddle shows how deeply felt and genuine is the West's desire to get along and see the best in everything. Mrs L, of course, has every right to come and visit and chat, but I can't quite grasp why we are financing her propaganda activities. I suppose Mrs Luszczek and the Foreign Office are just trying to make "friends".

"THE OVERDUE RETURN OF EROTICISM AND INTELLIGENCE..." Richard Coombe, TIME MAGAZINE

"It is a pleasure to tell you that director Philip Kaufman and his co-writer Jean-Claude Carrière have extracted a marvellous picture out of Melan Kundera's saga... Daniel Day-Lewis does an extraordinary job... a remarkable picture... altogether." Betty Newman, FILM WEEK

"A rich, ambitious film..." David Wills, TIME OUT

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How marketing maketh money

Seven years ago Gill Edwards, then 18, set up in business with a desk and filing cabinet plucked from the local rubbish tip. She had no clients, contacts or money. Today she owns two flourishing companies with a turnover of £2 million a year: E.G. Limited, a marketing consultancy, and Central Promotions Register Limited, which matches up companies launching joint sales promotions.



Gill Edwards: award winner

This achievement last night won her the 1987 British Sales and Marketing Award for the most promising young executive. Its judges included representatives from the Institute of Sales and Marketing Management, which organizes the competition. The prize is £3,000 of computer equipment, the spin-off in terms of prestige and business contacts is incalculable.

Edwards's success is partly due to an almost uncanny ability to predict what future consumers will want. There is nothing psychic about this skill, merely a combination of common sense and hard work — she devours market research surveys.

The continual demand for innovation means that her skills are in demand. "British manufacturers used to look at a product, check it worked and then try to sell it," Edwards says. "But for any manufacturer to be successful, you have to look at what the consumer wants and then make the product to fit."

Many of Edwards's clients are in the burgeoning leisure industry, which has just become aware that places can be packaged and sold in desirable bundles, just like soap suds. "People are wanting more outings, variety, weekends away," she says. "There is going to be a far greater divergence in the

type of break on offer over the next few years, with city people doing country things and vice versa."

Her vision of the future includes service with a smile, not a snarl ("the British have a problem with service because we think it means being servile"), greater freedom for women to work from home via new technology, and big lifestyle changes brought about by the deregulation of television.

Edwards does not have much time for television: her few spare moments are spent raising money for the Young at Heart group, formed by relatives of hole-in-the-heart children. Her first fund-raising venture — a balloon-selling day in Dudley — raised £5,000, and she now plans to launch a nationwide series of events to raise £125,000, enough to remove many of the children from the waiting list.

The idea that businesses plough some of their money and skills back into the community is one which the government is just beginning to broach. But then it is Edwards's job to be one step ahead.

Sharon Maxwell
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Executive Editor
David Brewerton

STOCK MARKET

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1787.2 (-23.2)Bargains
26723 (23497)USM (Datastream)
148.28 (+0.14)

THE POUND

US dollar
1.8760 (+0.0330)W German mark
3.1287 (+0.0060)Trade-weighted
77.9 (+0.4)

NEXT WEEK

THE TIMES
STOCKWATCH

Next week The Times launches STOCKWATCH, the most sophisticated and comprehensive financial information phone service available in Britain.

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STOCKWATCH is important news for investors — and, for a limited period, STOCKWATCH membership is free. Full details of the service, and our charter membership offer, will appear in The Times on Monday.

BAT rapped

BAT Industries has been rebuked by a Nevada judge for making a misleading statement in soliciting proxies in its bid for Farmers Group.

SUMMARY

STOCK MARKETS

New York	Dow Jones	2058.69 (-48.41)
Tokyo	Nikkei Average	2711.36 (+125.80)
Hong Kong		
	Hong Kong	2894.13 (+12.89)
Amsterdam	Amsterdam Gen	255.3 (+1.5)
Sydney	Sydney AO	1487.7 (+5.8)
Frankfurt		
Commerzbank		1413.3 (-1.8)
Brussels		
Generale		4739.0 (+0.1)
Paribas		305.0 (+3.1)
Zurich	SKA Gen	456.7 (-0.5)
London		
FT-Ak-Share		919.14 (-9.99)
FT-30		1012.49 (-10.35)
FT-100		216.6 (-4.1)
FT-100 Index		97.99 (-0.05)
FT Govt Secs		91.08 (same)
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RUSSE		
Rouffree	889p (+83p)	
Beaton Clark	258p (+18p)	
Avon Rubber	673p (+13p)	
AG Stanley	290p (+62p)	
Gestelner	181p (+11p)	
AB Elect	442p (+13p)	
Body Shop	515p (+21p)	
Higgs & Hill	340p (+10p)	
Guthrie	274p (+16p)	
FALLS		
ICI	985p (-29p)	
Glaxo	98p (-30p)	
General Accident	915p (-18p)	
Wellcome	465p (-13p)	
Reuters	451p (-21p)	
Unilever	465p (-10p)	
Ward White	324p (-11p)	
Tate & Lyle	750p (-11p)	
GRE	891p (-13p)	
Closing prices		

INTEREST RATES

London Bank Base Rate	8%
3-month interbank	8.5-8.75%
3-month eligible bills	7.75-7.8%
buying rate	
US Prime Rate	8.5%
Federal Funds	6.1-6.25%
3-month Treasury Bills	5.85-5.84%
30-year bonds	9.4-9.5%

CURRENCIES

London	New York
£1.8780	£1.8755
DM1.2207	DM1.5835
Sfr2.5814	Sfr1.3740
FF10.5825	FF5.6405
Yen232.06	Yen232.05
Index77.9	Index77.9
ECU20.665704	SDR20.742365

GOLD

London Fixing	
AM \$447.00 pm \$450.35	
Close \$450.50-451.00 (\$240.25-240.75)	
New York	
Comex \$450.70-451.20	

NORTH SEA OIL

Brent (May) pm \$16.80 (\$16.68)	
Discounts latest trading price	
See Roundup 24	Traded Oils 25
Stock Market 24	Share Prices 25
Compass 24	Money Markets 26
Comcast 25	Foreign Exch 26
City Diary 25	Unit Tracts 26
Wall Street 26	USM Prices 26

Markets drop on \$13.8bn US trade gap

From Bailey Morris, Washington

The announcement yesterday of a surprisingly large US trade deficit of \$13.8 billion (£7.5 billion) in February had an immediate effect on world financial markets, which dropped sharply in response.

Central banks were forced to intervene in currency markets to bolster the dollar, providing the first test of their newly reaffirmed agreement in Washington to stabilize exchange rates near present levels. There was co-ordinated buying of currencies by the central banks of West Germany, Italy, Japan, the US and others.

Minutes after the deficit was announced, traders reported frantic selling of both shares and currencies in London, New York and elsewhere.

Share prices on Wall Street dropped 35 points in the first 20 minutes and in later trad-

ing the Dow Jones industrial average was down 63 points. The dollar fell almost 2.5 cents against the pound, nearly three pence and by more than 12.5.

Although the trade figures are notoriously inaccurate, they have become the most widely followed barometer of the US economy, triggering strong responses on world markets whenever they move significantly.

The unexpected rise in the deficit in February from Wall St. 24
Stock market 24
Comment 25

\$12.44 billion in January was the largest since the record deficit of \$17.6 billion last October, which was cited as one of the reasons for the shares crash. Markets saw the 11 per cent gain in February as a negative signal that the US had not brought its massive

trade deficit under control, despite the lower dollar.

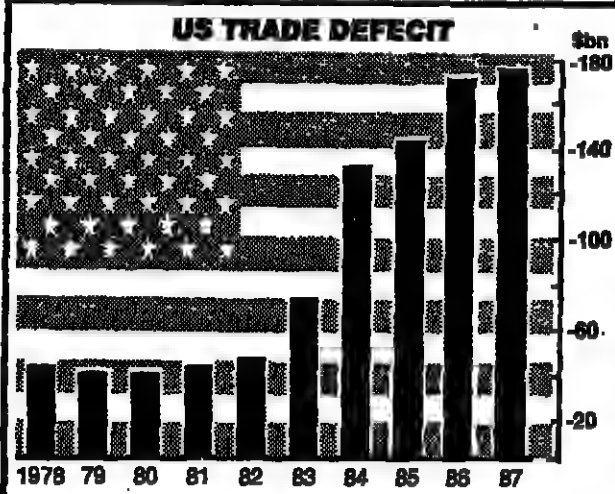
But finance ministers and central bankers meeting in Washington sought to reassure markets that the US deficit was still on the decline and that the global economy was stronger than expected after the October crash.

Statements of support were made by Mr Nigel Lawson, the Chancellor, Herr Gerhard Stoltenberg, the West German finance minister, and Mr Kiichi Miyazawa, the Japanese finance minister. The deficit came as a rude jolt to the meetings of the industrialized nations, which have been marked by an atmosphere of satisfaction over the economic progress made since last December.

US Congressional officials reacted sharply to the new data which they said underscored the need for action on the omnibus trade legislation which they hoped to complete next week.

US exports rose by 5.5 per cent in February to \$23.6 billion but imports rose 7.5 per cent to \$37.4 billion, largely on the strength of a big increase in oil imports. Manufactured exports, a key indicator of volume in the nation's factories, rose above \$16 billion for the third consecutive month.

But despite gains in manufacturing and another farm trade surplus, the US deficit with other countries rose almost across the board. The deficit with Japan increased to \$4.5 billion from \$3.9 billion; with Western Europe, it rose to \$1.6 billion from \$1.3 billion.



Dollar falls sharply despite support from central banks

By Richard Thomson

Share prices in London and New York dropped sharply yesterday after the worse-than-expected US trade figure, but the pound rose strongly on the back of the falling dollar, giving rise to speculation over another move in base rates.

The London stock market, opened on an optimistic note, spurred higher by the spate of takeover bids, and confident that the US trade figures would continue to improve for the third consecutive month.

The FT-SE index rose by more than 16 points during the morning to 1,826.8. Once the trade figures were announced, however, trading

went sharply into reverse and by 2.50pm the index was down by 30.5 points from the opening level. A slight recovery late in the afternoon left the market down 23.2 points to 1,787.2 at the close, with \$3.3 billion wiped off share values.

Glits held up relatively well because of the stronger pound, closing 1/16th down on the day.

The dollar lost three cents against the pound in London, closing at \$1.8760 as central bank intervention failed to stem its fall.

As investors fled from the US currency into sterling, the pound rose half a penny,

closing at DM13.1204. The strength of the British currency prompted renewed speculation about a further cut in base rates soon.

Mr David Morrison, an economist at Goldman Sachs, said: "There is unlikely to be any instant change in base rates. Sterling will have to reach around DM13.15 before the British authorities would feel ready for another move."

But he added: "We expect to see the dollar fall to around \$1.90 by the end of May. It looks like being a clash of the titans: the central banks against the markets, and if the markets are of one view they normally overcome the central bankers."

New terms to speed up 'Les Echos' deal

Pearson revises French bid

By Joe Joseph

Pearson, the publishing, banking and industrial group, has reshaped its becalmed bid for Les Echos in an attempt to speed its purchase of the French financial daily through the slow-moving waters of the French finance ministry.

To overcome French fears that Pearson may fall out of EEC control, Lord Blakenham, Pearson's chairman and Mme Jacqueline Beytout, the owner of Les Echos, have agreed a modified contract under which Pearson will initially acquire only two-thirds of the equity of Les Echos, taking up the balance a year later.

Lord Blakenham said: "We're doing it because we believe it improves the chances of the transaction not being subjected to unreasonable delay."

Part of the payment for Les Echos comprises 7.375 million Pearson shares. Under the terms of the new bid, the right of first refusal for these shares is to be granted to Lazard Freres et Cie, the French spoke of the banking group run by the banker Mr Michel David-Weill, so as to maintain a degree of French ownership in Pearson.

Pearson, whose activities range from the Financial Times to Lazard's bank,

launched an agreed £88 million cash-and-shares bid for Les Echos in January. But M Edouard Balladur, the French finance minister, had reservations about the "durable" EEC character of Pearson and put the deal on ice.

The French government is concerned about the 20.5 per cent stake in Pearson held by Mr Rupert Murdoch, chief executive of The News Corporation, the Australian-based media group. They fear the stake makes Pearson unstable and vulnerable to a takeover.

Lord Blakenham's salary jumped from £150,000 to £283,000 last year, Pearson's latest annual report shows.

Insider case turns on word 'obtain'

By Lawrence Lever

Mr Brian Fisher, a share dealer, walked free from Southwark Crown court yesterday after being acquitted in the first insider dealing case to come before a jury.

Mr Fisher was saved by the dictionary definition of the verb "to obtain" in a decision which may lead to the DTI dropping some of the cases currently under investigation.

Both the Stock Exchange and the Department of Trade and Industry were amazed by the decision, which, if it stands, would drastically restrict the legal definition of what constitutes insider dealing.

The DTI, has called for a transcript of the judgement and will consider asking the Attorney General to clarify the legal position, and if necessary it will seek to change the law.

Mr Fisher faced two charges relating to his purchase of 6,000 shares in Thomson T-



Not Guilty: Brian Fisher

Line in 1985. He had been interested in acquiring a controlling interest in the company and contacted Kleinwort Benson, its merchant bank.

While waiting for Kleinwort's to respond to his request for information, Thomson agreed to a rival offer. Miss Rosalind Headley-

Miller, of Kleinwort, gave evidence during the four-day trial, saying that she felt she had an ethical responsibility to advise Mr Fisher of the other bid.

Mr Fisher then purchased 6,000 shares in Thomson, before the public announcement of the bid and sold them later for a profit of more than £3,000.

Mr Fisher maintained that he had intended to buy the Thomson T-Line shares even before learning of the rival offer. He had wanted to strengthen his negotiating position, having grown impatient at the lack of response from Kleinwort.

The judge, Mr Gerald Butler QC, instructed the jury to return a not guilty verdict.

Under the Company Securities (Insider Dealing) Act 1985, it has to be shown that a person who learns of price sensitive information from someone who is connected

Confusion as multinational reports profits dip



Setbacks and successes: Sir Alistair Frame after announcing the RTZ results yesterday (Photograph: Harry Kerr)

RTZ slides to a pretax £594m

By Colin Campbell

RTZ, the multi-national industrial and natural resources group, yesterday sowed confusion in the marketplace by over-emphasizing its pretax profits performance in 1987 — when pretax profits fell from £601.7 million to £594.3 million — and its shares initially suffered a 20p slide to 363p.

But in later trading, and on further consideration of remarks by Sir Alistair Frame, the chairman, that RTZ had a sound balance sheet, was strong on cash and that "the group has a clear strategy in place for 1988," the shares recouped part of their loss to close only 15p down at 368p.

At the net attributable level, the line on which mining analysts traditionally con-

centrate, RTZ managed a 14 per cent profits advance from £244.8 million to £279.5 million.

In recognition of recent Budget changes and the "board's confidence in the long term prospects of the business," Sir Alistair said the final dividend was being raised from 6.6p to 8.3p a share, making 11.5p (9.4p) a share for the year.

The net attributable advance at 14 per cent was a "creditable" performance, Sir Alistair said, after a year when two partly-owned operations — Hamersley iron ore in Australia, and the uranium mine at Rossing, South West Africa — suffered a combined

£110 million pretax profits setback.

The group's industrial interests, which have dominated profits for a long time, contributed a net £236 million (£206 million); metals interests brought in £87 million (£83 million); and energy in-

terests contributed £50 million against £51 million.

The chairman said MK Electric, which RTZ recently acquired, had so far performed well and RTZ was happy with the acquisition. It remains on the lookout for other acquisitions.

He added that the "family

of mines" was expanding: a Brazilian gold project has recently come on stream; a rich copper project in Portugal is on schedule; and marketing and financial arrangements for the large scale joint venture Escondida copper project in northern Chile is progressing well.

Net debt had been reduced by £110 million during the year, and cash balances at the year-end stood at £225 million to which another £85 million of short-term investments could be added. Since the year-end, both balances had increased further. "We have ample opportunity to expand and invest with a relatively low risk," he said.

SE inquiry on Stanley price jump

By Cliff Feltham

The Stock Exchange is to investigate the sharp rise in the share price of AG Stanley, the Fads DIY chain, ahead of yesterday's £116 million hostile takeover bid from Ward White, the Payless to Halfords retailing group.

Ward White's share offer valuing Stanley at 281p was sent out yesterday after the previous day's 24p jump in the share price. Following the bid announcement, the shares rose a further 66p to 294p, ahead of the terms indicating the market's hopes for a higher bid or a rival offer.

Mr Philip Birch, the Ward White chairman, had approached Stanley to find if it would be possible to get the board's backing for a takeover.

Discussions took place between Mr Ted Lansdowne, the managing director of Payless, and Mr Roger Regan, managing director of Stanley.

Mr Regan, who confirmed that Stanley board would fight the takeover, said: "I made it clear we wanted to remain independent. I have no idea how rumours started in the market about a bid. There was no leak from our side. It is very disturbing."

A key 25 per cent stake in Stanley is owned by the industrial group, Williams Holdings, which has not reacted to the bid.

BBA to take over Guthrie

By Alison Eadie

BBA, the motor components, industrial textiles and engineering products group, has snapped up the Malaysian government's 61 per cent stake in The Guthrie Corporation and made a bid for the outstanding shares which values the company at £240 million.

The Guthrie board has reluctantly recommended the offer. The Malaysian government said last week that it was considering selling its stake

and BBA quickly stepped in.

Mr John Green-Armytage, Guthrie's managing director, said he was disappointed and would have preferred to have remained independent, but the speed with which BBA moved and the fact that the Malaysians intended to sell to the highest bidder gave no time or scope to attempt a management buyout.

The Malaysians took over Guthrie in 1981 after a controversial dawn raid. It relocated the industrial opera-

tions, shorn of the plantations, in June 1986.

Dr John White, BBA managing director, said Guthrie's five principal areas of activity were complementary to BBA's. BBA is offering 27 new convertible preference shares, with a net coupon of 6.75 per cent, for 10 Guthrie shares. The cash alternative is worth 270p a share and values the company at £221 million.

BBA's gearing will be pushed up to 100 per cent by the acquisition

LCT

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BUSINESS ROUNDUP

Boots to sell 61 stores in western Canada

Boots, the pharmaceutical and retail chemist group, is selling its 61 drug stores in the four western provinces of Canada, while retaining its profitable Ontario operations. The group's overseas operations, of which Canada forms the bulk, made a loss of £4.3 million in the first half of the financial year to March 31. Although the western chain contained some profitable stores, as a whole they had been substantial loss-makers since they were bought 10 years ago, Boots said.

"We are in talks with various people about various types of deals at the moment," said a spokesman. "The place is so big that it is very difficult to run the chain as a coordinated operation and achieve any kind of economies of scale." In future the group's efforts would be concentrated on its 116 stores in Ontario. Boots is hopeful of getting more than £10 million for the chain, although some City analysts are expecting rather less.

AGB in £1m mailing deal

AGB Research, Britain's largest market research company, has agreed to pay £1.1 million in cash for Mander Walsh, a direct mailing and marketing company, as part of its policy of increasing its investment in direct marketing services. Mander Walsh employs 75 people and is based at Sudbury, Suffolk. Mander is expected to make £220,000 pretax profits over the next year on a turnover of £2 million.

Adwest raises profit to £4m

Adwest, the engineer and property developer, has lifted pretax profits from £3.23 million to £4.15 million in the half-year to December 31 on a reduced turnover of £45.51 million. The Berkshire company says that the costs of its recent large-scale restructuring are still affecting profitability, although it reports that the level of orders is "generally buoyant." The interim dividend is going up from 1.8p to 2.03p.

Britannia's busy time

Britannia, the Cheltenham, Gloucestershire, property developer floated on the stock market last summer, is facing a busy schedule to fulfil its goal of moving away from traditional construction contracts towards property development and construction on its own account.

Pretax profits for calendar 1987 more than doubled from £801,000 to £2 million on a reduced turnover of £19.89 million. Earnings per share grew from 7.3p to 12.9p and the final dividend will be 2.5p. Forthcoming projects include an office and town house development in Cheltenham. Negotiations are in hand for a 250,000 sq ft shopping centre, also in Cheltenham, and for a non-food retail and leisure park on a 38-acre site at Greenbridge, Swindon, Wiltshire.

Connells up 40% to £7m

Connells, the estate agency chain, raised pretax profits by almost 40 per cent to £7.3 million last year on turnover up 54 per cent to just above £25 million. It increased the number of its offices to 117 following the acquisition for £625,000 yesterday of Cook & Company, the residential agents. A total dividend of 8p a share for 1987, a rise of 25 per cent, is being paid.

BTR names finance chief

BTR, the industrial conglomerate, has named Mr Christopher Ball as its new finance director in what is effectively a job swap. The man he succeeds, Mr Barry Romeril, started as finance director at British Telecom at the beginning of this month. Mr Ball is joining BTR on May 3 from British Telecom, where he is acting finance director.

Windsor buys broker

Windsor Securities (Holdings), is buying its fellow insurance broker Burns, Burr & Co for £12.1 million. Burns, Burr is based in Richmond, Surrey, and transacts commercial and personal business, with a significant amount of professional indemnity insurance. It made pretax profits in the year to the end of January of £142,000, which would have been £242,000 after adjusting for the reduction in directors' remuneration and pensions contributions which will follow the acquisition. The funding for the acquisition is being raised through a placing of 2.26 million shares, 2 million of which are being made available to existing shareholders on a two for 23 basis at 52p. Windsor said that its own first half would be below the projected break-even because of the loss of an important account at its Frank Bradford subsidiary.

£12,000 for J Billam

J Billam, the Sheffield-based precision sheet metal engineer, just scraped into profit in 1987, earning £12,000 at the pretax level against £313,000 in 1986. Sales for the year rose to £3.03 million from £2.53 million. The final dividend was held at 2.4p. Mr Leo Wright, the chairman, said the company would continue with its expansion policy.

Cory margins cut by costs

Pretax profits at Horace Cory, the chemical colour manufacturer, edged ahead just £20,000 to £270,000, the company announced yesterday, on sales up £2.05 million to £6.79 million. Mr Henry Finchett, the chairman, said higher costs had cut margins, and reorganization had been costly. A final 0.4p dividend lifts the total payout to 0.75p, from 0.65p.

DTI names British Steel advisers

Two more advisers to help with the privatization of the British Steel Corporation have been appointed, signalling the Government's keenness to float the corporation on the stock market as soon as possible.

The Department of Trade and Industry has appointed Norton, Rose, Botterell & Roche as solicitor to the offer.

Additionally, Dewe Rogerson has been named as public relations adviser in a joint appointment by the DTI and the corporation.

No decision has yet been taken on a possible appointment of advertising agents.

In February, the corporation announced its advisers with Barclays de Zoete Wedd (BZW) as merchant banker

and Phillips & Drew as broking adviser.

The earliest the corporation is likely to be floated is November. But a Bill to turn the corporation into a public company preparatory to flotation is still bogged down in committee hearings in the Commons when the Government had hoped to have it dealt with before Easter.

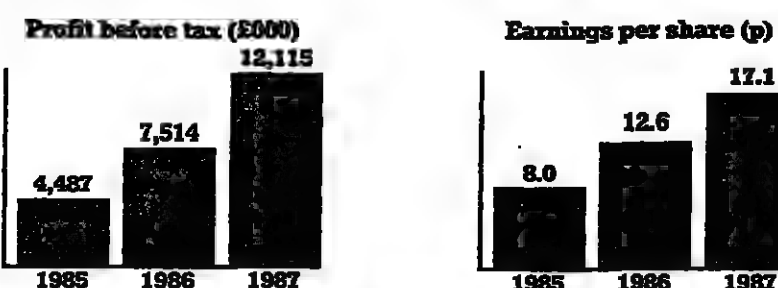
Walter Lawrence P.L.C.

Preliminary results Year ended 31st December 1987

- Profits up 61%
- Earnings per share up 35%
- Dividend per share up 19%

"All divisions of the Group have improved their performance and are well placed to take advantage of many opportunities in 1988. The Board is confident that future results will continue to reflect the underlying strengths of the group."

Trevor Mawby Chief Executive

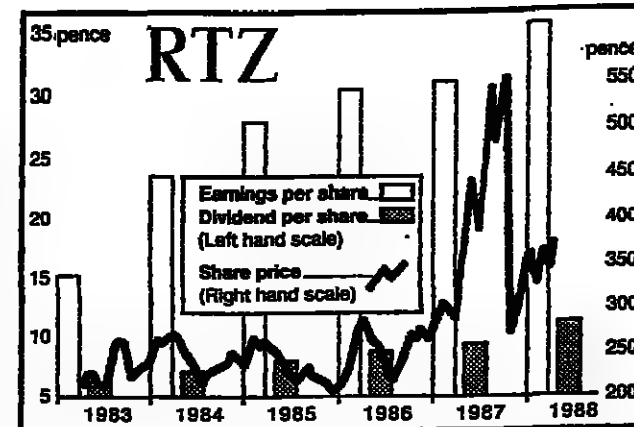


Walter LAWRENCE

Walter Lawrence P.L.C., Lawrence House, Sun Street, Sawbridgeworth, Herts CM21 9LX

Behind the fog, RTZ shines again

TEMPUS



market who are not talking ambitiously about developing them.

Thus, although Evered has been given a reasonable start it may prove harder going from now on.

It has the basis of a reasonable business with the handful of assets acquired from Aberdeen Construction via Raine Industries added to the London & Northern operations in Britain and the US, but they will have to be built up. Even so, they are expected to contribute more than 40 per cent of profits this year.

The British market has been thoroughly combed through by the established players. There may be a few opportunities left, but prices will be high nevertheless. This leaves the US, which although more fragmented, is again well surveyed by British companies.

Evered's balance sheet showed gearing at the year-end of 51 per cent, but since then it has dropped nearly twenty percentage points to 31.4 per cent. This would make it easier to use cash to make an acquisition as paper would not be well received by the market.

Only time will tell whether Evered is right to have chosen this market as its favoured growth vehicle at this stage in the cycle. The company is perhaps encouraged by some pundits' belief that when the downturn comes it will be much less marked than in the past.

Moreover, they say the longer term prospects for heavy machinery in the United States are more to do with demographics and regional developments than macro-economic factors.

However, until the building products division grows to account for about three-quarters of profits and the Abdullah brothers demonstrate that they are at least as good at managing holes in the ground as light engineering companies, the rating is unlikely to change much.

Avis Europe

Those investors who left a third of Avis Europe's shares with the underwriters can now reflect on their lack of judgement. Compared with an offer price of 250p, dealings started at 226p and closed at 239p after the first day's trading. Now at 339p, the shares should form a core holding in anyone's portfolio as a soundly-managed and well-focused entity in a growth market.

Increasing leisure and affluence has expanded the market for car hire. Last year, Avis opened 138 rental outlets, bringing its total network up to 1,633 locations. Vehicle rentals contributed 54 per cent of revenue and 68 per cent of profits.

Fleet-leasing, the buying, financing, maintenance and ultimately the disposal of mainly private cars on a typical two-and-a-half-year lease, is Avis's other core business. As a result of acquisitions and organic growth, it now contributes 23 per cent of profits on 14 per cent of turnover.

Car dealerships, the company's third area of activity, has some logic to it as a more profitable outlet than auction for retired hire cars and leased cars. The car-hire side only keeps cars for an average of six months, and services them off with less than 9,000 miles on the clock.

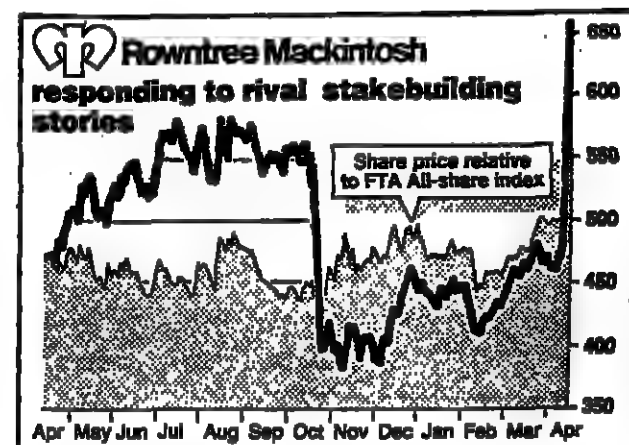
But, for the rewards involved, the buying and selling of cars may prove to be an unjustified diversion of management time from the company's prime activities of renting and leasing, and Avis is considering its options with care.

The dealerships at present are contributing £4.5 million pretax. Assuming a 35 per cent tax charge, the business is worth about £30 million on a 10 times multiple.

By 1990, centralization of its three fleet-leasing companies in new purpose-built headquarters in Salford, Greater Manchester, coupled with a new on-line computer system, will yield significant economies of scale, keeping costs down as the business grows.

STOCK MARKET

Shares slide on poor US trade figures



dealers were confident that the shares of Rowntree have much further to go, with the £8-a-share level a distinct possibility in the short-term.

One dealer was at pains to point out that brands such as Kit Kat, Aero, Smarties and Polo are big attractions to any food company, either at home and abroad and now that Suchard has showed its hand other groups will be forced into the auction.

One sure bet is that market-makers will be careful not to be short of Rowntree stock in the coming weeks.

A rising market of late on talk of a break-up bid, shares of Consolidated Gold Fields, the mining finance house, attracted renewed support in the wake of a presentation in Tokyo with Japanese institutions, hosted by Yamaichi International. The shares

touched 935p before closing 3p cheaper at 925p.

ConsGold was quick to pour cold water on speculation that it was on the verge of selling its ARC aggregates subsidiary to Hanson.

A spokesman said: "We are not considering selling ARC and have not received an offer from Hanson."

AG Stanley, the FADS home furnishings group, soared another 62p, making a two-day leap of 86p at 290p, after 293p, following the news of Ward White's unwelcome, £103 million offer.

However, Mr Rudd could still have a big say in the matter as he has yet to pledge his stake to Ward White. He prefers to remain neutral until he examines the offer document.

This immediately led to speculation about a possible counter-offer being made and stories were soon circulating in the market that a management buyout of £3-plus per share is very much on the cards.

Shares of Ward White, meanwhile, fell by 12p to 323p.

Magnet, the do-it-yourself group and furniture retailer, met with revived speculative interest on hopes that it would be the next takeover candidate in the sector. The shares, however, after touching 245p,

Pearson fell 4p to 687p despite a meeting between Lord Blakenham, the chairman and fund managers in Edinburgh. About 60 per cent of profits in the current year are expected to come from the publishing side. The market is looking for pretax profits to grow to £162 million.

met with profit-taking and closed 3p easier at 238p.

Traders have been confident that Magnet's days of independence are numbered and that someone has been building up a stake in the company over the past couple

of months. They have been trying to identify the mystery buyer.

Hillsdown Holdings, the fast-growing food-to-furniture manufacturing group, Sainsbury (which owns Homebase) and Wickes, the rival DIY group, have all been put in the frame as possible bidders.

Another name put forward yesterday was Tesco, the supermarket chain, which on Wednesday revealed a 31 per cent increase in pretax profits to £230 million.

Sir Terence Conran's Storehouse, the BHS, Mothercare and Richards retailing group, was a strong performer, touching 259p at one stage before closing 3p better at 255p.

About 6 million shares changed hands on revived chatter that a bid is on the way — but not from Next.

Mr Tony Clegg, the head of the Mountbatten property group, who retained a 3 per cent stake in Storehouse after failing in a pre-crash bid attempt, is said to be thinking of trying again.

The word is that he has formed a consortium which includes Mr Robert Maxwell, the publisher, to make a full-scale offer for the company.

Storehouse reports preliminary figures in June and these are expected to be bad with the poor performance of its Mothercare operation.

Geoffrey Foster

Walter Lawrence surges to £12.1m

By Alexandra Jackson

Walter Lawrence, the house-building, contracting and merchanting group, increased pretax profits by 61 per cent to £12.1 million in the year to the end of December. The directors are confident that the results will continue to reflect the underlying strengths of the group.

Record earnings per share were achieved, up from 12.6p to 17.1p. The final dividend was raised from 3p to 3.5p making a total of 4.75p for the year, up 19 per cent. The shares gained 5p to 155p.

Walter Lawrence sold its manufacturing activities including associated properties, during the year for £6.6 million payable over two years. These businesses contributed £153,000 to 1987 profits.

Trading at Tricom, the builders' merchanting business, has continued to show the promising trend seen last year.

The directors are confident in the group's recent 51 per cent investment in a house-building company in Southern California. This business is expected to sell 450 homes during the year. Gearing fell in 1987 from 57 per cent to 47 per cent.

Mr Brian Beazer's £1.7 billion (£900 million) for Koppers, the American gravel business, ran into more trouble yesterday when his British building group was accused of publishing misleading newspaper advertisements.

Koppers's lawyers filed a motion with the Pennsylvania District Court demanding Beazer make a "full and unequivocal retraction... admitting all untruths contained in the advertisement."

In the advertisement which appeared in leading US newspapers, Beazer challenged the Koppers board to respond to its hostile \$60 a share offer and quoted from testimony given by Koppers's executives during court hearings last week. Koppers claims that Beazer is in violation of court orders by publishing the evidence.

Beazer and Koppers are locked into several court actions, some aimed at removing a poison pill deal worked out by the Koppers board.

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McKechnie jumps 36% at half time

By Our City Staff

McKechnie, the plastics and metals group, lifted pretax profits by 36 per cent to £15.95 million in the six months to end-January, on turnover up from £12.9 million to £143.7 million.

Mr Michael Ost, the chief executive, said a third of the advance had come from acquisitions, with the balance evenly split between organic growth and loss elimination.

Earnings per share rose from 11.3p to 13.6p. An interim dividend of 3.8p was declared, against 3.3p last time. The group made an extraordinary profit from land sales of £10.7 million net of costs.

Second-half profits will be helped by the inclusion of the US business, Plastic Container Corporation. Mr Ost explained that the group renegotiated the price paid for this business downwards by up to 15 per cent because of the stock market crash.

McKechnie is looking for acquisitions in the US, particularly in plastics and consumer products.

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C. Hoare & Co	8.00%
Hong Kong & Shanghai	8.00%
Lloyds Bank	8.00%
Nat Westminster	8.00%
Royal Bank of Scotland	8.00%
TSB	8.00%
Citibank NA	8.00%

BAe-Rover warning

With only two weeks to go before the deadline set by the Government for the British Aerospace-Rover merger deal, Brussels has still not been given enough information to decide whether the deal can go ahead, EEC sources said yesterday. EEC officials gave a warning that this could mean the deal would fall through if the Government still insisted

on an end-of-April deadline. "It is highly doubtful whether we will have all the information we need by the end of May, let alone the end of April," one source said.

The decision is in the hands of Mr Peter Sutherland, the EEC commissioner for competition, who is taking a firm line on EEC merger controls

The Scottish Mutual Assurance Society

109 St. Vincent Street, Glasgow, G2 5HN

NOTICE IS HEREBY GIVEN that the 105th Annual General Meeting of the Members of The Scottish Mutual Assurance Society will be held in the Albany Hotel, Bothwell Street, Glasgow, on Wednesday, 11th May 1988 at 12.15 p.m. to approve the Accounts, Balance Sheet and Reports of the Directors and Auditors, to elect and to re-elect Directors and to re-elect and to fix the remuneration of the Auditors.

A special Resolution will be proposed which will have the effect of altering Regulation 49 of the Society's Regulations to read:

"The Directors shall be entitled to receive remuneration for their services as Directors at such a rate per annum for each Director as the Directors shall from time to time decide calculated in respect of the period for which each Director shall have held office during the year in respect of which remuneration is to be computed. The total remuneration for services as Directors shall not exceed £120,000 per annum together with such additional remuneration as shall be fixed by the Society in General Meeting and such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all reasonable travelling and other expenses incurred by them either in attending Meetings of the Directors, Committees of the Directors, General Meetings of the Society, or otherwise, in connection with the business of the Society."

The actual resolution to be proposed can be inspected and printed at the Society's Annual Accounts and Balance Sheet and Auditors' Report can be obtained by Members at the Head Office of the Society or at any of its Branch Offices.

A Member of the Society entitled to attend and vote at any General Meeting is entitled to appoint another person (who need not be a Member of the Society) to attend and vote instead of him. Proxies must be lodged at the Head Office of the Society not less than 48 hours before the time for holding the Meeting.

The attention of Members wishing to attend is drawn to Regulations 5, 23 and 24 of The Scottish Mutual Assurance Society Act 1952.

By Order of the Board,
C.G. Kirkwood,
Secretary

مکان من الضم

Acquisitions help Evered profits rise 141% to £25m

By Alexandra Jackson

Acquisitions accounted for the bulk of Evered Holdings' 141 per cent increase in pretax profits last year to £25.5 million. Earnings per share rose from 12.4p to 13.7p and a final dividend of 2p was declared, making a total of 3.25p - up 30 per cent.

The inclusion of nine months' profits from London and Northern, purchased last spring, was the significant factor behind the £13.3 million maiden profit from acquisitions.

Underlying growth from £10.6 million to £12.2 million included a £1.1 million profit from the disposal of the CI Group share stake. This compares with a net profit of £300,000 in 1986 from the profit on the sale of the TI Group stake less losses on the

disposal of the McKinnon shareholding.

Since the year end, Evered has sold its stake in Henderson Group, realizing a profit of about £600,000. This, together with a dividend payment, will be included in next year's profits.

Gearing stood at 51 per cent at the year end, but this has since fallen to 31.4 per cent. Mr Osman Abdullah, the chief executive, denied speculation that Evered was considering a rights issue. "We have no plans to issue paper," he said yesterday.

The rationalization of the London and Northern acquisition is virtually complete, he added, and hopes for further improvements in operating efficiencies from the L&N businesses this year.

Over and above this, Mr

Abdullah is looking for organic growth from the rest of the group to be maintained at about 15 per cent.

Meanwhile, the group is still seeking bolt-on acquisitions for the industrial products division, although these will be modest compared with the investment planned for quarry products.

The group recovered £3.5 million of the Middle Eastern

Tempus 24

debt inherited from L&N. Its outstanding claim is now worth £11.8 million, down 25 per cent because of currency movements.

Mr John Ford, Evered's finance director, said tax losses from the L&N businesses would keep the British

tax bill low although overall it will rise as US earnings increase.

He added that as yet there was no risk of Evered having an advanced corporation tax problem although this could be an issue in a few years' time.

The balance of profits between the first and second halves is expected to move from 40:60 to 33:66, reflecting the increase in building product profits. Last year, quarry products accounted for £11 million of the £26.8 million operating profit. This compares with £11.95 million from industrial products and £3.9 million from building-related activities now sold. In 1986, industrial products made operating profits of £8.7 million. In that year this was Evered's only trading activity.

Benedetti defeated over La Générale

From Jonathan Drane

Signor Carlo de Benedetti, the Italian entrepreneur, last night appeared to have lost the battle for control of Société Générale de Belgique and to have talked himself out of a place on the board.

At his defeat, control of Belgium's largest holding company, and with it a third of the Belgian economy, slipped unceremoniously into the hands of the Paris-based Compagnie Financière de Suez and its subsidiaries.

Signor de Benedetti promised to fight on, but experts held out little hope that he would win a place on the board for the foreseeable future.

At an extraordinary meeting yesterday more than 1,100 shareholders were expected to vote in favour of doubling the size of the holding company's board. As the vote count continued, it seemed Signor de Benedetti and his Belgian backers, Mr Andre Luyckx and Mr Pierre Schrier, had been excluded.

In last-minute negotiations before the meeting, the Italian's opponents had offered him minority representation at all levels of management.

But Signor de Benedetti continued to insist on the chairmanship of the new executive committee, set up to determine La Générale's industrial strategy.

It was a clearly unrealistic demand. With the backing of no more than about 46 per cent of the shares represented at the meeting, the Italian industrialist must have known he was in no position to demand concessions from Suez and its backers on the existing 11-member Société Générale board.

As Viscount Etienne Davignon, a senior board member, said: "In any takeover bid there is a winner and a loser. If you lose, you can't demand control."

Under a new three-tier management structure drawn up before the meeting, La Générale will be run by a board of directors, which will also provide the members of a more restricted executive committee and a management committee.

Signor de Benedetti's exclusion from the board rules out his participation on the executive committee, although the management committee could be opened to non-board members in future.

However, Signor de Benedetti's followers have said there could still be legal action to overturn the results of the meeting.

COMMENT

A nasty shock for the Washington chums

Central banks were bound to pounce on any hint of currency instability this week with co-ordinated intervention in the markets. They duly did so yesterday. But they could not stop the dollar falling 2 per cent.

The Bank of Japan will do its best early this morning to reverse the tide. Meanwhile, financial markets have suffered another nasty little shock exactly six months after currency misunderstanding between Bonn and Washington triggered the October stock market crash.

There is no reason to think there will be a repeat performance, except that nerves are evidently still raw everywhere outside Tokyo. The prospect of a dollar inching to sink to 120 yen will not help short-term sentiment there either in the wake of another new high for share prices.

In the first two months of the year, the US trade deficit was almost exactly the same as in the first two months of 1987. This might cause genuine wonder over whether the US trade imbalance was really on the mend like that of Japan. The currency dealers, however, were shocked because the latest monthly figure conspicuously failed to match cheerful forecasts - which is bound to happen from time to time.

The share and bond markets reacted in instructively different ways. London shares, having started ahead, reacted to the lunchtime news by anticipating the swift fall as Wall Street opened. Wall Street is now highly sensitive to the dollar rate, particularly against the yen.

US bond prices also tumbled, pushing the yield on the Treasury long bond up

from less than 8.8 per cent to almost 8.9 per cent. What happens from there is largely up to Japanese institutions who will be asked to support the May refinancing of up to \$28 billion. They want at least 9 per cent and seem likely to get it.

This interest rate rise showed little tendency to transfer to the London gilt-edged market however. Stephen Lewis of Phillips & Drew sees this as a specifically American problem and expects the markets to decouple. His only caveat is that higher US interest rates could leak to other centres if the central banks persist in large-scale intervention and create further monetary expansion. Central bankers in Washington are already worried that money supply is growing too fast in Germany, Japan and Britain, so they might well push up interest rates to curb a further acceleration generated in the foreign exchange markets.

In equity markets, Jeffrey Thompson of BZW sees no such prospect of decoupling London from Wall Street, whatever happens in Tokyo. Apart from domestic interludes, such as the Budget, London has been slavishly following sentiment on Wall Street and is likely to keep on doing so.

All eyes will, therefore, be on the tactics of the central bankers. They could withdraw in the hope of squeezing the dollar bears in a few days or keep up support now, inviting fears that they will lose resolve when they get back home from Washington.

Either way, the FT-SE 100 share index shows little inclination to go decisively over 1,800. Those who miss the party are unlikely to miss much.

Pressure on Lauto over fee disclosure

By Lawrence Lever

The Government is believed to be pressing the life assurance industry to accept rules requiring insurance brokers to disclose the full amount of commission they earn on sales of life assurance and unit trust products.

Negotiations on commissions are being held between the Department of Trade and Industry and the Life Assurance and Unit Trust Regulatory Organisation.

A DTI official said yesterday that it was hoped that an announcement would be made within the next two weeks.

However, Lauto sources have been saying privately that the Government wants full disclosure of commissions - to come into effect in about three and a half years, rather than immediately.

The issue of commissions paid on sales of life assurance and unit trusts has been called into question by Sir Gordon Borrie, the Director-General of Fair Trading.

Under the Financial Services Act, Sir Gordon has to report to the DTI on the rulebooks of the five self-regulating organizations responsible for investor protection, of which Lauto is one.

Sir Gordon's remit is to consider whether the rulebooks are unduly anti-competitive in any respect.

In a report on the Lauto rulebook, he has attacked rules which provided for only a limited disclosure



Steering a profitable course: Alan Cathcart, Avis chairman (Photograph: Alan Weller)

Avis in top gear with £54m

By Carol Ferguson

Avis Europe, the car hire group, raised pretax profits by 43 per cent to £54.6 million in its first full year as a public company. In the 12 months to February 29 it made three acquisitions for a total £126 million without diluting earnings per share, which rose 26 per cent to 22.6p.

Mr Alan Cathcart, Avis Europe's chairman and chief executive, said 55 per cent of profits were earned in Britain and the rest on the Continent where it has substantial businesses in four countries - Spain, Italy, West Germany

and France. It has wholly-owned businesses in another six countries where the profits come primarily from car hire and fleet leasing.

Mr Cathcart said Bramall, acquired last October for £88 million mainly for its leasing business, had also brought nine car dealerships. "This is a new business for us and we are carrying out a review of the possible economies of scale and synergies with our existing business to see if we want to stay in it," he said. "The dealerships are very profitable and well managed, but we have not yet decided if it will

be a core business for us."

Avis is still on the look-out for further acquisitions, especially fleet leasing in continental Europe. "We are number one in France, and virtually number one in the UK, but in Germany, Switzerland, Spain and Portugal we are very weak and we want to correct this," he said.

Group turnover for the year jumped 31 per cent to £486 million, and a final dividend of 5.2p is recommended, making a full-year payout of 9p net, up 18 per cent on last year's notional dividend.

Japanese link wins exporter award

By Derek Harris, Industrial Editor

Mr Eric Cunningham, the managing director of the Woodbank Electrical Company of Stockport, Cheshire, has been chosen as exporter of the year.

He was given the award "for the skill with which he turned Japanese export prowess to his own firm's advantage" by a panel of selectors for the Hertz UK/Export Times annual award.

Mr Cunningham's special relationship with Japan started in 1982 when Woodbank

was looking for specialist electrical sub-contractors from British contractors bidding to install water and sewage plants in the Gulf state of Qatar. But two main contracts went to Japanese companies.

Mr Cunningham, who is aged 55, was convinced his company could handle the electrical work on competitive terms so he talked to Ebara, a company based in Tokyo which awarded Woodbank an £800,000 sub-contract for organizing the electrical power

needs of the Ras Abu Fontas water pumping station in Qatar.

Since then Woodbank has become a regular supplier to Ebara and its main Japanese competitor, Kubota, on water and sewage works schemes.

The total value of sub-contract work from the two Japanese companies over six years has now reached £12 million, said Mr Cunningham.

"It has been a good business

connection because the Japanese have been picking up many main contracts around the Middle East. But British companies are now making more headway so we expect to start doing more business with them," he added.

Woodbank is a private company employing between 75 and 100 people depending on the state of contracts. Last year turnover was £3.5 million.

Part of the award is the free use of a Hertz executive car for a year worth £25,000.

Courting the 100% market

While other firms in the Square Mile have been behaving like shrinking violets, Smith New Court is, I hear, about to start flexing its muscles. The British securities house - where Rothschild has a sizeable stake - is about to increase the number of stocks in which it makes markets. Although it will not happen overnight, the firm plans to expand its market coverage from 85 per cent to 100 per cent of all main British companies, and next week the latest tranche of companies in which it will make markets is expected to be unveiled. The gaps in its coverage include the property sector, a number of paper stocks such as Bower and a number of miscellaneous leaders. Meanwhile, as the company pushes ahead with its expansion, Michael Marks, the chief executive, denies that there is a power struggle between Mike Sperring and Richard Crowder, its two managing directors, as to who becomes the heir apparent to Somerset Gibbs - due to retire in 18 months time. "It's absolute nonsense," Marks told me yesterday. "We brought him in on a three-year contract 18 months ago and there are no plans for him to leave before then."

THE TIMES CITY DIARY

Real Messel for Lever

Bernard Lever, who quit as head of market-making at Hoare Govett, the stockbroker firm, last month to put some life back into the beleaguered market-making activities of Messel, now a division of US giant Shearson Lehman, is questioning the timing of his departure. For 55 of his erstwhile colleagues have just netted themselves a total of £24,000 on the Grand National

draw, operated each year by the Stock Exchange. "We bought five tickets each at £2 a time, which meant 275 tickets between 55 of us," says a joyous Nigel Hughes, who has replaced Lever at Hoare Govett. "We were lucky enough to draw Rhyme 'n' Reason and although it's not much between 55 of us we will be having a bit of a celebration in due course."

employees are also being encouraged to take up cycling. Ian Staples, who runs 1,500 miles a year, leading 1,500 miles of his colleagues (all sporting Halfords T-shirts) on the 50-mile annual London to Brighton bicycle race on June 10.



"First it was dawn raids, now it's takeover bids. We'll all be wearing flared trousers next."

Legal genius

Former Guinness director Thomas Ward has, I hear, been availing himself of the formidable legal talents of George Carman QC, the criminal law barrister. It was Carman, you may remember, who successfully defended one Jeremy Thorpe. Although Carman has not yet been officially retained to represent Ward, legal sources in London confirm that Carman has been giving him advice - a warrant for Ward's arrest has, after all, been issued and although he is still in the US, proceedings to extradite him are expected to begin shortly.

Gathering no moss

Most stockbrokers live in some style, but few can be accustomed to the grandeur of Prince Rupert zu Loewenstein's country mansion near Chippenham, in Wiltshire. The seventeenth century manor house, which has nine bedrooms, a bathroom, staff flat, a lake, swimming pool and tennis court in its 20 acres of landscaped grounds, has been put on the market by Humberts, with offers invited in excess of £1 million. Prince Rupert, it seems, has been forced by pressure of work to move closer to London. As well as a home in Los Angeles he has, I hear, just bought a Georgian house in Richmond. The Bavarian Prince, who comes from a branch of the Royal House of Wittelsbach, and is secretary general of the Sovereign Military Order of Malta, was the manager of Bache & Co's London office before becoming managing director of one of the City's smallest independent merchant banks, Leopold Joseph. He left there to form his own company, Rupert Loewenstein, specializing in financial advice for entertainers, with his most famous clients being Mick Jagger and Pink Floyd. Not at all bad, for starters.

And we all thought that it was the Americans who were litigious: a hapless West German farmer is being sued by a supermarket chain there because paint would not stick to the chicken eggs he supplied when customers tried to decorate them for Easter.

Carol Leonard

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Telephone	Do you already have a private medical insurance? <input type="checkbox"/> Yes <input type="checkbox"/> No
Cover required: Single <input type="checkbox"/> Married <input type="checkbox"/> Family <input type="checkbox"/>	If yes, what is the renewal date?

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Despite the storm in October, 1987 was a record year for sunshine.

Despite meteorological evidence to the contrary, we could say the sun shone all year.

1987 was a record year for Sun Life; record year for sales, and a record year for profits.

Post tax profits for shareholders totalled £20.9 million, up 20% on 1986.

Our excellent all round performance has given us another opportunity to make a substantial increase in rewards to shareholders. A final dividend declared of 22.2p per share brings the total dividend for 1987 to 33.64p, up by 18% on 1986.

We have also been able to increase rewards for our with profits policyholders, the total bonus distribution to them rising to £142

million, compared with £125.1 million in 1986. All these results have been earned by a combination of investment expertise, careful planning and marketing flair. The common element in all areas of our business has been sheer hard work.

During the first nine months of 1987, the business climate was set fair, but there was, of course, a dramatic fall in equity prices during the month of October.

Despite the fall, our business remained at a high level for the last months of the year.

The breadth of our product range, our leadership in pensions and our ability to sell through a comprehensive range of outlets all contributed to that achievement.

Sun Life has always paid careful attention to the development of management skills within the company. Equally, we place a very strong emphasis on training programmes to ensure that our sales, technical and administrative staff are highly proficient in the latest developments relevant to their skills.

1987 should not be remembered simply for our notable financial performance. It was a year in which we made great strides in broadening the base of our business to meet changing conditions at home and abroad. This is in line with the fundamental nature of our approach which is to build on the skills and driving forces that have helped shape our expansion.



SUN LIFE

Extracts from the Chairman's Statement, 1987. For a copy of our 1987 Report and Accounts please contact Tony Setchell, Sun Life Assurance Society plc, 107 Cheapside, London, EC2Y 6DU. Faceline: 01 606 7788.

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From your Portfolio gold card check your eight share price movements on this page only. Add them up to give you your overall total and check this against the daily or accumulator dividend figures. If it won't match or a share of the daily or win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Group	Share Price
1	Stanley Leisure	Leisure	100
2	Wyndham Eng	Industrial S-Z	100
3	Rugby Group	Building Roads	100
4	Talc & Valor	Industrial S-Z	100
5	Macro Focus	Electricals	100
6	Shandwick	Paper, Print, Adv	100
7	Parfale	Property	100
8	NMW Comp	Electricals	100
9	SEA Int	Industrial S-Z	100
10	Wicks	Drugs, Stores	100
11	Wendell Quaker	Industrial A-D	100
12	Western Selection	Electricals	100
13	Tibbitt & Brison	Property	100
14	Asac Br Parts	Drugs, Stores	100
15	CALA	Shipping	100
16	Evans Of Leeds	Property	100
17	Cook (Wm)	Industrial A-D	100
18	Ransom Sims	Industrial L-R	100
19	Flaxell C&W	Industrial E-K	100
20	Merlin Int	Property	100
21	Woodside	Oil/Gas	100
22	Edno	Industrial E-K	100
23	Sale Thiney	Industrial S-Z	100
24	Memo	Electricals	100
25	Lawrence (Walter)	Building Roads	100
26	Macfarlane	Industrial L-R	100
27	Jarvis (J) & Sons	Building Roads	100
28	Loe & Eton T	Property	100
29	Cullens	Foods	100
30	Davis (Geoffrey)	Industrial A-D	100
31	Logan	Industrial L-R	100
32	Powell Duffryn	Industrial L-R	100
33	Sutcliffe Clough	Drugs, Stores	100
34	Phym	Chemicals, Plastics	100
35	Tordoff	Building Roads	100
36	Ashley	Industrial A-D	100
37	Travis & Arnold	Building Roads	100
38	Ryton	Industrial L-R	100
39	Calind Gp	Property	100
40	Weir	Industrial S-Z	100
41	Dee (an)	Foods	100
42	Rugby Group	Building Roads	100
43	McIntyre	Property	100
44	McIntyre	Property	100

Please take into account any minus signs

Weekly Dividend						
Please make a note of your daily totals for the weekly dividend of £8,000 in tomorrow's newspaper.						
MON	TUE	WED	THU	FRI	SAT	SUN

BRITISH FUNDS

High Low Share Price Dividend Yield %

SHORTS (Under Five Years)

No.	Company	Share Price	Dividend	Yield %
1	Stanley Leisure	100	100	100
2	Wyndham Eng	100	100	100
3	Rugby Group	100	100	100
4	Talc & Valor	100	100	100
5	Macro Focus	100	100	100
6	Shandwick	100	100	100
7	Parfale	100	100	100
8	NMW Comp	100	100	100
9	SEA Int	100	100	100
10	Wicks	100	100	100
11	Wendell Quaker	100	100	100
12	Western Selection	100	100	100
13	Tibbitt & Brison	100	100	100
14	Asac Br Parts	100	100	100
15	CALA	100	100	100
16	Evans Of Leeds	100	100	100
17	Cook (Wm)	100	100	100
18	Ransom Sims	100	100	100
19	Flaxell C&W	100	100	100
20	Merlin Int	100	100	100
21	Woodside	100	100	100
22	Edno	100	100	100
23	Sale Thiney	100	100	100
24	Memo	100	100	100
25	Lawrence (Walter)	100	100	100
26	Macfarlane	100	100	100
27	Jarvis (J) & Sons	100	100	100
28	Loe & Eton T	100	100	100
29	Cullens	100	100	100
30	Davis (Geoffrey)	100	100	100
31	Logan	100	100	100
32	Powell Duffryn	100	100	100
33	Sutcliffe Clough	100	100	100
34	Phym	100	100	100
35	Tordoff	100	100	100
36	Ashley	100	100	100
37	Travis & Arnold	100	100	100
38	Ryton	100	100	100
39	Calind Gp	100	100	100
40	Weir	100	100	100
41	Dee (an)	100	100	100
42	Rugby Group	100	100	100
43	McIntyre	100	100	100
44	McIntyre	100	100	100

FIVE TO FIFTEEN YEARS

No.	Company	Share Price	Dividend	Yield %
1	Stanley Leisure	100	100	100
2	Wyndham Eng	100	100	100
3	Rugby Group	100	100	100
4	Talc & Valor	100	100	100
5	Macro Focus	100	100	100
6	Shandwick	100	100	100
7	Parfale	100	100	100
8	NMW Comp	100	100	100
9	SEA Int	100	100	100
10	Wicks	100	100	100
11	Wendell Quaker	100	100	100
12	Western Selection	100	100	100
13	Tibbitt & Brison	100	100	100
14	Asac Br Parts	100	100	100
15	CALA	100	100	100
16	Evans Of Leeds	100	100	100
17	Cook (Wm)	100	100	100
18	Ransom Sims	100	100	100
19	Flaxell C&W	100	100	100
20	Merlin Int	100	100	100
21	Woodside	100	100	100
22	Edno	100	100	100
23	Sale Thiney	100	100	100
24	Memo	100	100	100
25	Lawrence (Walter)	100	100	100
26	Macfarlane	100	100	100
27	Jarvis (J) & Sons	100	100	100
28	Loe & Eton T	100	100	100
29	Cullens	100	100	100
30	Davis (Geoffrey)	100	100	100
31	Logan	100	100	100
32	Powell Duffryn	100	100	100
33	Sutcliffe Clough	100	100	100
34	Phym	100	100	100
35	Tordoff	100	100	100
36	Ashley	100	100	100
37	Travis & Arnold	100	100	100
38	Ryton	100	100	100
39	Calind Gp	100	100	100
40	Weir	100	100	100
41	Dee (an)	100	100	100
42	Rugby Group	100	100	100
43	McIntyre	100	100	100
44	McIntyre	100	100	100

OVER FIFTEEN YEARS

No.	Company	Share Price	Dividend	Yield %
1	Stanley Leisure	100	100	100
2	Wyndham Eng	100	100	100
3	Rugby Group	100	100	100
4	Talc & Valor	100	100	100
5	Macro Focus	100	100	100
6	Shandwick	100	100	100
7	Parfale	100	100	100
8	NMW Comp	100	100	100
9	SEA Int	100	100	100
10	Wicks	100	100	100
11	Wendell Quaker	100	100	100
12	Western Selection	100	100	100
13	Tibbitt & Brison	100	100	100
14	Asac Br Parts	100	100	100
15	CALA	100	100	100
16	Evans Of Leeds	100	100	100
17	Cook (Wm)	100	100	100
18	Ransom Sims	100	100	100
19	Flaxell C&W	100	100	100
20	Merlin Int	100	100	100
21	Woodside	100	100	100
22	Edno	100	100	100
23	Sale Thiney	100	100	100
24	Memo	100	100	100
25	Lawrence (Walter)	100	100	100
26	Macfarlane	100	100	100
27	Jarvis (J) & Sons	100	100	100
28	Loe & Eton T	100	100	100
29	Cullens	100	100	100
30	Davis (Geoffrey)	100	100	100
31	Logan	100	100	100
32	Powell Duffryn	100	100	100
33	Sutcliffe Clough	100	100	100
34	Phym	100	100	100
35	Tordoff	100	100	100
36	Ashley	100	100	100
37	Travis & Arnold	100	100	100
38	Ryton	100	100	100
39	Calind Gp	100	100	100
40	Weir	100	100	100
41	Dee (an)	100	100	100
42	Rugby Group	100	100	100
43	McIntyre	100	100	100
44	McIntyre	100	100	100

UNDATED

No.	Company	Share Price	Dividend	Yield %
1	Stanley Leisure	100	100	100
2	Wyndham Eng	100	100	100
3	Rugby Group	100	100	100
4	Talc & Valor	100	100	100
5	Macro Focus	100	100	100
6	Shandwick	100	100	100
7	Parfale	100	100	100
8	NMW Comp	100	100	100
9	SEA Int	100	100	100
10	Wicks	100	100	100
11	Wendell Quaker	100	100	100
12	Western Selection	100	100	100
13	Tibbitt & Brison	100	100	100
14	Asac Br Parts	100	100	100
15	CALA	100	100	100
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20	Merlin Int	100	100	100
21	Woodside	100	100	100
22	Edno	100	100	100
23	Sale Thiney	100	100	100
24	Memo	100	100	100
25	Lawrence (Walter)	100	100	100
26	Macfarlane	100	100	100
27	Jarvis (J) & Sons	100	100	100
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29	Cullens	100	100	100
30	Davis (Geoffrey)	100	100	100
31	Logan	100	100	100
32	Powell Duffryn	100	100	100
33	Sutcliffe Clough	100	100	100
34	Phym	100	100	100
35	Tordoff	100	100	100
36	Ashley	100	100	100
37	Travis & Arnold	100	100	100
38	Ryton	100	100	100
39	Calind Gp	100	100	100
40	Weir	100	100	100
41	Dee (an)	100	100	100
42	Rugby Group	100	100	100
43	McIntyre	100	100	100
44	McIntyre	100	100	100

INDEX-LINKED

10%	117%	Treas	L	2%	1990	101%	2.4	1.78
71%	98%	Treas	L	2%	1992	136%	3.1	2.82
95%	127%	Treas	L	2%	1995	113%	3.5	3.44
13%	103%	Treas	L	2%	2001		3.7	3.52

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YOUR OWN BUSINESS

Doctors with an eye on security

By Peter Levi

The increasing trend for academics to turn businessmen (and successful ones) is illustrated by today's announcement that Airtch Ltd, a wholly-owned subsidiary of Roper plc, is taking a minority stake in Sophos Ltd, an Oxford computer software design company specialising in data security. This will enable Sophos, which is run by two academics, 31-year-old Dr Jan Hruska and 29-year-old Dr Peter Lammer, to move to larger premises in Buckinghamshire and to take advantage of Airtch's marketing expertise.

Airtch specialises in producing government and military encryption hardware, for which Sophos has already developed software and sees great potential for further growth. Dr Hruska, who founded Sophos in 1980, says: "Our association with Airtch will give our small company credibility with its large customers, which include government, the banking community and industry."

One of the secrets of success for a software house is to spot a gap in the market. Dr Lammer said: "In 1985 we saw that the way in which companies were using personal computers would lead to trouble. Numbers of people were using the same pc, with no secure way of distinguishing which files belonged to which user. Moreover, data transmitted



Dr Peter Lammer and Dr Jan Hruska: "Great potential for growth"

between pcs, such as financial projections, is often highly confidential and can cause great damage in the wrong hands."

Since that time Sophos has developed 10 software packages. These cover three areas: "encryption" (which uses a key to scramble files so that they are undecipherable to unauthorized people); "authentication" (the technique used to validate a message's source, which can also validate stored data); and "secure erasure" (which shreds deleted files). It is not widely known that on most computer systems, when an unwanted file is deleted, only the file's name is removed and anyone can learn how to retrieve the data.

Sophos' main problem has been to educate people about data security. Last year it distributed 1,000 reference guides on the subject. Last month it sold more than 500 copies (for £20 each) within three days of publication. Dr Hruska says: "We now have distributors in 10

countries, but have to make countries, such as Italy and Greece, more aware of the importance of data security."

Dr Lammer mentions another of Sophos' problems: "We didn't appreciate the long lead time, around two years, that it takes to bring programs for large clients to fruition."

Like most software companies, Sophos did not require much capital to start. In 1986 Oxford Seedcorn Capital invested £40,000 in Sophos and has provided active support, including the introduction to Airtch. However, Dr Hruska warns: "If a small company thinks it needs £50,000 it should ask for £100,000 — one always needs more than one estimates."

For this year Sophos predicts a modest £220,000 turnover, which will be a 50 per cent increase on last year. However, by the end of 1988 it expects to employ six people and forecasts a sharply rising turnover in 1989.

MR FRIDAY

"It would be nice to hear someone admit once — just once — that they're making a fortune"

Accountancy's soft touch

A complete accounting system for the small business moving to computerization for the first time is on offer from Kalamazoo, the Birmingham-based company which specialises in business forms as well as computer systems writes Derek Harris.

The One-Up system, just launched, includes computer hardware and software, a printer, discs, a full range of stationary, the usual warranties and 12 months of advisory backup on software usage. With a Zenith personal computer — IBM is another more expensive option — the all-in price is £1,799, including a day's training in Birmingham.

Contact: Kalamazoo, Northfield, Birmingham B31 2RW; (021) 411 2345.

The United Kingdom's booming venture capital market was considered to small businesses wanting to expand

their equity base by John Cope, the minister dealing for small firms, speaking at a private equity seminar in Newcastle-under-Lyme. The provision of equity capital from private venture sources for unquoted companies had risen from about £10 million in 1979 to £394 million in 1986, he pointed out.

Brian Prime, who runs a rest home at Lowestoft, Suffolk, has been re-elected chairman for the third year of the National Federation of Self Employed and Small Business, one of the leading pressure groups in the small business sector.

Mr Swindon Chamber of Industry and Commerce will hold its 10th business exhibition, *Swindon 88*, next Wednesday at the Delta Business Park, Swindon. There will be more than 100 exhibitors.

Details from SCIC, 1 Commercial Road, Swindon SN1 5NE; (0793) 618544

Watch carefully how you rate

Substantial rent increases in the last 12 months in central London and elsewhere in the South-East could well have a material influence on the level of the new assessments for the 1990 rating revaluation. Together with the national average, potential increases in rate liabilities could be high, say Dron & Wright, chartered surveyors, in their rent and rates review 1988.

In the City of London, rent increases over the last 12 months have ranged from 43 per cent to 75 per cent as a result of the level of demand and the shortage of available accommodation. Rental growth however has been slower since Black Monday, October 19, although demand is holding up, particularly for the smaller

COMMERCIAL PROPERTY

By Christopher Warman

Property Correspondent

units in all locations. By contrast, rates have risen by only 1.87 per cent, substantially less than inflation.

Dron & Wright believe that in the next 12 months the current level of demand and shortage of space will continue, with rents increasing by 15 per cent. In 1989 they forecast a further slowdown in rental growth to 10 per cent, and rents reaching £75 a sq ft by 1990. Many of the large-

scale redevelopment schemes will be reaching completion in 1990, and this additional supply, coupled with the likely rate increases arising from the rating revaluation set for 1990, could well stabilise rental growth.

Their report concludes that the lack of clear and unequivocal direction by the Government is causing unnecessary uncertainty in the market. "What is clear, however," adds the report, "is that after 1990 the rate liabilities for all business occupiers in London and the South-East is going to be considerably in excess of what is now. It is essential therefore that all business ratepayers should be taking proper professional advice to protect their interests."

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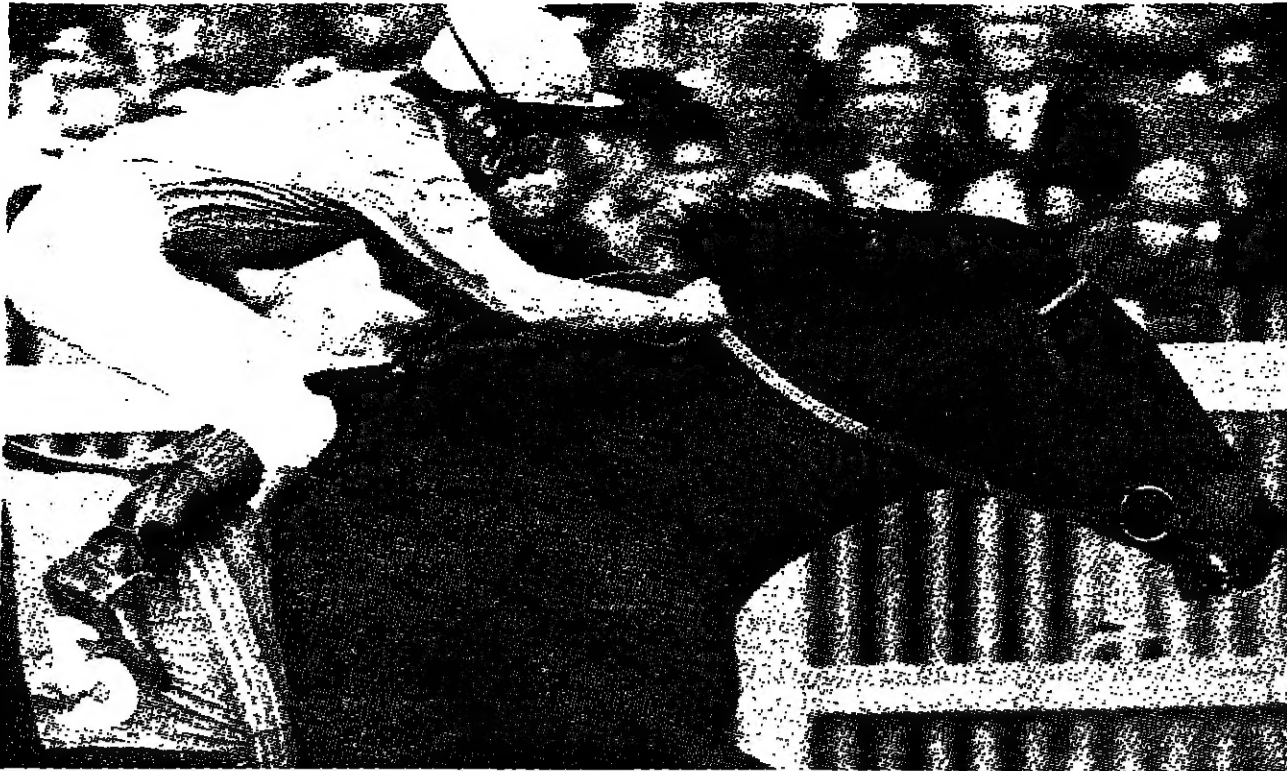
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Continued on next page

Doyoun swoops to become Shergar team's new Derby favourite



Doyoun (left) became the new favourite for both the 2,000 Guineas and the Derby with an unexpected but convincing victory over Warning in the Charles Heidsieck Champagne Craven Stakes at Newmarket yesterday.

The son of Mill Reef is owned by the Aga Khan, pictured right with winning trainer Michael Stoute (centre) and jockey Walter Swinburn. The Aga Khan, Europe's most powerful breeder, has won the Derby twice in recent years with Shergar and Shahrastani but has yet to win the first colts' classic.

Stoute, winning the Craven Stakes for the third time in four years, landed the Guineas with Shaded in 1985 but Swinburn missed that success through suspension.

Doyoun, 12-1 for the 2,000 Guineas before yesterday's race, was soon afterwards quoted at 2-1. The colt is also favourite for the Derby.

Photographs: Ian Stewart Racing, pages 34 and 35



Kamara fined £1200 in pitch assault 'test case'

By John Goodbody

Chris Kamara, the Swindon Town midfielder, was yesterday fined £1,200 with £250 compensation in the first prosecution of a Football League player for committing an assault on the field against a fellow professional.

Kamara had pleaded guilty before Shrewsbury magistrates to causing grievous bodily harm to Jim Melrose, the Shrewsbury Town striker, 10 seconds after the end of the game on February 20, which Swindon lost 2-1. Melrose suffered a suppressed cheekbone fracture.

Kamara, who also had to pay £15 costs, claimed he had been the victim of assault and racial abuse from Melrose. But Melrose denied this.

Magistrates watched a video of incidents during the game and the actual attack on Melrose, who was unconscious for at least three minutes before being carried off the pitch. He underwent emergency surgery for the triple fracture and was out of football for a month.



Kamara: racial claim

Mrs Jane Murphy, the prosecuting solicitor, said the video showed that any provocation on the field occurred at least 15 minutes before the final whistle. She added that there had been squabbling between players on the pitch during the game and that when Melrose was knocked down, witnesses reported anger in the crowd.

Kamara claimed he had been assaulted on the field and alleged that Melrose had

called his child "a black bastard".

John Nathan, the defending solicitor, said that the player had experienced racial abuse "from time to time in his 13 years as a professional."

"He is forced to tolerate that abuse because he loves the game. But he tells me this remark broke through the barriers he had erected because it was directed against his child," Kamara's wife is white.

Nathan said Kamara had been suspended for a month by Swindon and fined £1,000. He had not played since the incident and had lost £700 in appearance money and bonuses. He will appear before a Football Association disciplinary hearing in London on Monday and faces further fines and suspension.

Nathan added: "His contract is up for renewal at the end of the season and there is no doubt that this incident has jeopardized the negotiations."

Murice Galliers, the Bench chairman, said: "You are highly paid to entertain the

public and therefore have greater responsibility to show example. Your behaviour is unacceptable and could have caused serious repercussions with the crowd on the day."

Kamara, who has sons aged three and a half years and 11 months, said after the hearing: "I have lived with racial abuse for 13 years and never reacted before. I regret what I did to Melrose. I just wanted to smack him as he was going to react again and I think I have come out of this a better person."

Edward Grayson, a barrister who is author of *Butterworth's Sport and the Law*, said: "This is another example that the sportsman is not above the law. But it is arguable that Kamara was fortunate not to have been put in prison for the offence of grievous bodily harm."

In 1986, David Bishop, the Welsh Rugby Union international scrum half, was given a month's custody for the less serious offence of common assault, but this was reduced to a suspended sentence for 12 months on appeal.

On March 31, at Wood Green Crown Court, North London, Paul Birkin was given eight months' imprisonment after pleading guilty to causing actual bodily harm to John Smith, an off-duty policeman, who suffered a broken jaw, in an Enfield League football match.

Brendan Batson, the assistant secretary of the players' union, the Professional Footballers' Association, said of the Kamara incident: "The case bears out what we have been warning our members for the past few years: the football pitch is not an oasis against the law."

Liverpool make Finney their latest admirer

By Stuart Jones, Football Correspondent

Tom Finney, entranced as he sat watching Liverpool overwhelm Nottingham Forest 5-0 on Wednesday night, has joined those who believe that Kenny Dalglish is the strongest ever to be assembled at Anfield. Not only that, the legendary winger says he has never witnessed a better team.

In his opinion, not the Busby Babes of Manchester United, who perished in Munich, nor Tottenham Hotspur, who won the double 27 years ago, nor even the golden Brazilians, who bestrode the world, would have been a match for Liverpool. "I've never seen skill at that pace," he enthused.

"In all my time as a player and as a spectator, that was the finest exhibition of football I've ever seen. Everybody will have left believing they had seen something that will never be bettered. The execution of the moves was tremendous. They have great individual

players and they all support each other.

"The number of times defenders came through to join the attack, it could have been seven or eight quite easily."

Since Liverpool struck the woodwork twice and were denied on at least four occasions by Forest's inspired goalkeeper, his closing words were, if anything, an understatement.

Few of those who were privileged to have been at Anfield would argue with the rest of his appraisal. The night was lit by a show of sustained brilliance, the like of which not even Hansen, their captain, could recall.

Nor was Maurice Roworth, Forest's chairman, indulging in empty flattery when he suggested that Liverpool were "the best team in Europe." All the sadder that his claim (which, on the season's evidence so far at home and

abroad, is indisputable) cannot, and may never be, genuinely tested.

Cold-hearted statisticians will doubtless rustle through the record books and prove, to their satisfaction at least, that Liverpool should not be regarded even as the most complete side in English history. They will point, for instance, to Aston Villa's feat of scoring 128 goals in 1931.

They will say that Tottenham won 31 League games in 1961 and that Liverpool themselves conceded a mere 16 goals nine years ago. And Liverpool can no more than equal another of the achievements of Leeds United's, who suffered only two defeats in 1969.

Indeed, Dalglish's squad, which matched Leeds's opening sequence of 29 unbeaten games, may end up without a record of their own. Their only realistic target is to finish 14 points clear and overtake Everton's winning margin in 1985. The gap is eleven but they have two games in hand over Manchester United.

Yet Finney was expressing the sentiments of more than 1.5 million observers who have attended Liverpool's 43 fixtures since August. Although they turned the championship race almost immediately into an unusually prolonged procession, they have excited spectators throughout the land.

Before they collect their rightful prize, their seventeenth title, they will take part in the festival at Wembley this weekend. The occasion is to be used as a practice for the FA Cup final. To become the first club to win the double twice would elevate them, even in the eyes of the most blinkered statistician.

Voice from past on the present

By Ian Ross and Peter Ball

Tommy Smith, a member of Liverpool's famous sides of the late 60s and 70s, said a lack of real competition in the first division possibly over-emphasized their superiority.

"They are a tremendous side but the opposition is not all it might be. That is, nothing at all away from them because they can only go out and beat the teams they are paired with," he said.

"It is very difficult to compare the present teams with those of yesteryear because 10 years ago there were possibly eight or 10 really good teams in the first division whereas now there are only two or three."

Dave Bassett, the former manager of Wimbledon - who played Liverpool in the FA Cup final at Wembley in May - believes his previous club are quite capable of ruining the coronation.

"Meeting Liverpool in the final won't quell Wimbledon's enthusiasm. Of course they can win. That lot are capable of anything. I think Liverpool are a little bit frightened of them. I don't mean any disrespect by saying that, but the way Wimbledon play causes them problems."

Budd case adds to Nebiolo's troubles

By Pat Butcher, Athletics Correspondent

Primo Nebiolo's cup is overflowing - not with money, as has been the case in the past few years, but with woe. The Italian presides over a meeting in London today of the International Amateur Athletic Federation, one of the most financially secure sports bodies in the world, yet one of the least credible. And since Nebiolo took most credit for the former, he should not escape censure for the latter.

As president also of the Italian athletics federation (FIDAL), he chaired the whitewash of allegations that Giovanni Evangelisti, the Italian long jumper, had been given half a metre extra on his final attempt, thus winning him a bronze medal in the world championships in Rome last summer.

The Italian Olympic committee, which in the interim had rebuffed Nebiolo's attempt to become its president, then upheld the Evangelisti allegations (with no blame attached to the athlete), and demanded the sacking of several FIDAL officials. This has been done, closely followed by the resignation of Luciano Barra, Nebiolo's closest associate and (unelected) assistant on the IAAF. Thus far, Nebiolo has resisted any attempt to implicate him.

That may be the worst of his problems, but it is not the only one. There are two young women vying for first place on the agenda of the IAAF council meeting at the Park Lane Hotel, London, this morning - Zola Budd and Sandra Gasser. The latter is already booked into the High Court on Monday, and if Budd gets no satisfaction today, she could well join the Swiss in litigation against the IAAF.

Gasser is appealing against her suspension for a positive dope test at the world championships, and, having seen what has happened with regard to Evangelisti, she may have reason to feel confident about pressing claims of official shenanigans with her sample.

Budd claims to feel confident that her suspension will be lifted, although when she said yesterday, "I have the backing of the British Amateur Athletic Board, who will also be speaking on my behalf", one wondered whether her grasp of reality was as good as her mastery of English.

Cliff Gladwin, the former Derbyshire and England fast-medium inswinging bowler, has died in hospital at the age of 72. Gladwin, who played eight times for England, took 1,653 wickets in all first class cricket at an average of 18.30 and 100 wickets in a season on 12 occasions.

His best year was 1952 when he took 152 wickets, including his best match return of 16 for 84. When England beat South Africa in Durban in 1948, the winning run, from the last ball, was a leg-bye off Gladwin's thigh.

Loss to tennis

Ronald Bookman, aged 46, deputy executive director of the Association of Tennis Professionals (ATP), has been killed in a road accident in Dallas.

Lyle cast in the shadows

From Mitchell Platts, Golf Correspondent, Hilton Head Island, South Carolina

Sandy Lyle, the Masters champion, was compelled to accept a supporting role alongside Greg Norman as the first round of the MCI Heritage Classic unfolded on the Harbour Town course here yesterday.

Lyle began with a bogey at the first, eventually turning in 37, whereas Norman, out in 32, gathered five birdies. Meanwhile Nick Faldo, the Open champion, made a breathtaking start, notching four birdies in his first seven holes, although he later faltered and finished with a one-under-par round of 71.

The sun was high when Lyle began his reign as the master golfer. But he made an inauspicious start by missing a

put of two feet to save his par at the first. He got the shot back, however, with a birdie at the next, where he chipped to two feet. Norman had reached the green with a magnificent shot faded between the towering pines that narrow the approach.

Norman looked agitated as he missed opportunities for birdies from inside 10 feet at the third and fourth. It could have been a case of post-master's blues. Lyle, of course, had conducted affairs at Augusta where Norman felt he should have won the Masters in both 1986 and 1987.

At the 5th, Norman expertly picked the ball with his wedge off the sand and kept it low under the live oak tree to run

it to within four feet of the cup. He holed for a birdie four after Lyle had missed from 12 feet.

Lyle was in deep trouble at the 6th. He hooked his drive perilously close to out-of-bounds. It finished buried in a ditch, from where he took a penalty drop. His recovery with a five-iron sent the ball scuttling through the green and he eventually made five. Norman holed from 15 feet for a birdie.

Lyle saved par from a bunker at the 7th where Norman nursed home a 10-foot putt for another birdie. For a moment there was a broad smile on his face, but he was in trouble at the 8th. He pushed his drive close to the out-of-bounds and he was compelled to accept a five. There Lyle's chip stayed on the lip and at the 9th he again grazed the hole with a birdie attempt. Norman, however, confidently holed from 12 feet.

Faldo began by chipping in from 35 feet at the first. He holed from four feet at the next and hit a seven-iron to 18 feet for a third successive birdie. He has a liking for this course, where he won in 1984, and it showed again as he hit a six-iron to 12 feet for a two at the 7th. Even so, he dropped a shot at the 8th, turning in 33, and another at the 11th where a long delay appeared to ruin his momentum.

SPORT IN BRIEF

Beck loses title

Valerie Scott, of Edinburgh, is the new British slalom champion as a result of a comprehensive victory at the National Ski Championships in Alpe d'Huez, France. It was a disastrous day for Lesley Beck, British slalom champion for the past four years. She straddled a gate on the first run and failed to finish in the top five. Clare de Pourtales was second, with Ingrid Grant third. Grant took the combined slalom title and Wendy Lumby was first in the giant slalom.

Tait changes code

Widnes, the Rugby League champions, have signed the Scottish Rugby Union international Alan Tait, the Kelso centre, on a 10-year contract. John Stringer, the Widnes general manager, said: "We've been chasing Tait for some time and just hoped he wouldn't slip through our net."

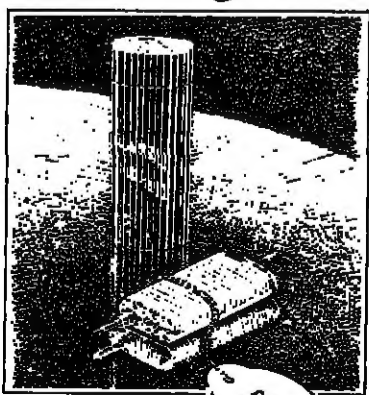


Broome: a date in Rome

Whitaker out

Michael Whitaker, a silver medal winner in Los Angeles, has pulled out of the British show jumping team for this month's Rome Nations Cup and the Lucerne Nations Cup in May. Whitaker is resting his horses in anticipation of a trip to the Olympics in Seoul. Peter Charles now joins David Broome, Nick Skelton, Robert Smith and Joe Turi in the British team.

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END COLUMN

Enter the dragon to big-time tennis

By Richard Evans

Papers have been signed by government authorities in Peking approving the first China Open tennis tournament - a move which has put the Chinese Tennis Federation one step ahead of the Soviet Union in the race to embrace one of the world's most capitalistic sports.

The Soviets may have the players - Andrei Chesnokov winning a grand prize title in Orlando last month proved that - but the dragon seems to be moving faster than the bear in the entrepreneurial field of staging professional events in the communist heartland.

This, in fact, has always been the case. Ahead of its time, there was a grand prize tournament held in Canton in October 1980. It was won by Jimmy Connors, televised nationally and sponsored by Marlboro.

But just as the appearance of Alex Motomski in the 1973 Wimbledon final was too much too soon for Soviet tennis, so Canton became an isolated experiment that the sporting authorities did not know how to exploit.

Seeing that the acceptance of tennis as a medal sport in the Olympics would create radical changes of attitude towards the game, Donald Dell and Eugene Scott, two lawyers who were contemporaries at Yale, aligned themselves with the two super powers in an effort to ease the culture shock.

Dell's Pro Serv management company agreed terms with the Soviet federation that gave it the right to represent the interests of Chesnokov and the group of highly-promising young women players being trained by Olga Morozova, the former Wimbledon finalist.

Bureaucracy stalls Soviet advances

Scott, having discovered a contact in China, filed an application with the Men's Tennis Council (MTC) two years ago for a grand prize event in Peking.

Despite the similarity of their backgrounds, Dell and Scott operate in very different ways. Scott, the publisher of Tennis Week and tournament director for the Nabisco grand prize Masters, is essentially a loner in the byzantine world of tennis politics and when he went off to Peking by himself last January it seemed he was able to press all the right buttons.

"They were very keen to get going and I have now heard that the necessary government approval has been signed and is on its way to me," Scott said from New York. Ironically, it is the MTC that may not allow the Chinese to move as fast as they would like. "The Council may only grant us a challenger series tournament for 1989," Scott, who will be tournament director for the China Open, said. Despite the urgings of the leading Soviet coach, Shamil Tarpichev, the machinery required to work out the financial arrangements for staging a major tournament in Moscow is still entangled in Soviet bureaucracy. "However, we are working on it," a Pro Serv spokesman said. "But whether it will be a grand prize tournament or a special event remains to be seen."

London Marathon results

The Times will on Monday publish the names and performances of all the Mars London Marathon competitors to finish inside three hours. The names and times of all the other finishers will be carried on Tuesday and Wednesday.